THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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WORLD OUTLOOK ON BUSINESS IS MORE PROMISING

But Feeling of Depression Still Prevails Throughout Canada

EXPORTS ENDANGERED

Halifax Defeat Warns Government that Country is Dissatisfied—May be a Blessing in Disguise

The overwhelming defeat of the Government candidate in the Halifax by-election is perhaps the outstanding development of the week at home. Sentimentally, the friends of the Government will regret it; but by business men generally it cannot be regarded as other than a good omen. It does not defeat the Government, but has served as a stern warning. It is evidence of dissatisfaction which is already—only a few hours after the election—showing good results. There has been a growing dissatisfaction with the Government's lack of constructive work, its increasingly wasteful expenditures and increasing taxations. It was for these reasons that the country administered such a well-deserved defeat to the Conservatives. Mr. Fielding's frank budget statement that taxation must be still further increased started a wave of discontent across the country which has been growing steadily, until to-day, when Canada has every reason to be optimistic, there has perhaps never before been such a feeling of pessimism in business circles. Industrial development is at a standstill because of heavy taxation and uncertainties as to the future; even the Christmas trade shows indications of this feeling, and thousands of our splendid young men, losing faith in the country, are crossing the border to greater opportunities, in a country whose government is ever alert to promote the interests of its business men. It is some satisfaction to know that the Prime Minister has recognized the trend of opinion; first, in getting action on the immigration problem, and to-day the hint is given that taxation problems will receive immediate attention.

There is a growing feeling, in Ontario and Quebec particularly, that income taxes should be dealt with by the provinces and municipalities only.

The most discouraging development of the week is another manifestation of the feeling against Canadian products in the Empire. A representative of a Canadian steel company sought to tender on a large West Indian Government contract through the Colony's agents in London, but was told that, despite the proximity of Canada to the West Indies and the close preferential arrangements between the two countries, tenders from Canada were being discouraged because of the uncertainty regarding the position of United States branch factories here. This is another of the unfortunate results of the Imperial Press Conference in Canada. The delegates from Britain and the various Colonies unfortunately developed strong antagonism to the Canadian paper makers. Viscount Burnham, of the London Telegraph, and P. D. Ross, of the Ottawa Journal, clearly foresaw this danger and strongly warned the paper makers and our own Department of Trade and Commerce, then under Sir George Foster, not to allow the Empire's journalists to leave Canada carrying with them the feelings expressed at the meeting. Unfortunately, the hints were neglected. The antagonism first showed in Australia. Australia refused to make a preferential treaty with Canada. The paper makers then tried to adjust matters when a very unpleasant scandal developed. This report from London shows that the misunderstanding is more serious than was at first feared, and our Government is facing another big problem.

World conditions are showing steady improvement; unusual optimism is developing in the United States, while mail advices from important sources in England, which have hitherto been very conservative and somewhat pessimistic, show the first signs of optimism in many a month. They indicate distinct signs of improvement.

Well Planned Agitation Changed the Sales Tax

From Our Own Correspondent.

OTTAWA.—Hon. Jacques Bureau has changed the new sales tax, so that on sales by licensed manufacturers or licensed wholesalers direct to retailers or consumers the showing of the tax as a separate item is optional.

The incident shows what may be accomplished by a sanely conceived and well conducted agitation. There is no doubt that certain wholesalers and manufacturers were up against a bad proposition; but they went about the work of persuading the authorities in a thorough manner and with results that are very gratifying to themselves.

The industrial and commercial interests know far better how changes will affect themselves than governments do, the chief concern of the latter being to secure revenue in the easiest way.

U.S. Unions an Aid to Canadian Industry

Major Berry, president of one of the great printing trade unions in the U.S. is here this week recruiting Canadians to join his union.

International Unionism has some advantages to both employers and employees, but in a number of industries it has constantly worked to the advantage of the United States, and greatly to the disadvantage of Canada, as Canadian workers have pointed out. These great unions are controlled by able men in the United States, and it is but natural and quite justifiable that they look after their own national interests first. They are doing a service to their country if they can, by tariffs or special regulations, take work away from Canada, compel work for Canada as well as the United States to be done in their own country. Major Berry's union has been singularly successful in this respect. The printing trade unions in the United States have so manipulated their laws that British and Canadian writers must have their productions for the Canadian market printed in the United States. An investigation made last year showed that over 3,000 persons were working in the United States in printing for use by the Canadian public. The result has been that hundreds of our printers have moved to the States where this work is.

They have even gone further and brought United States union pressure to bear at Ottawa to force the binding in the United States of books for Canadian readers.

U.S. ADMITS THAT CANADA GROWING CHEAPER WHEAT

Immigration Officials Will Use This as Good Advertising

From Our Own Correspondent.

OTTAWA.—Immigration officials are rubbing their hands with satisfaction over the evidence that has been given before the U. S. Tariff Commission showing that the cost of producing wheat in Canada is much less than it is in the western states of the Union. They say it makes the best Canadian publicity that has ever been put out, and at the conference on publicity held last week it was decided to make good use of it.

Some of the statements made by Representative Anderson before the Commission are so good that they bear reproduction, the following being good examples:

"It is when the yield per acre in the spring wheat area in this country and Canada is applied to figures of cost per acre that the greatly higher cost per bushel in 1923 in this country becomes apparent. The average yield in the three provinces of Canada, Manitoba, Saskatchewan and Alberta, in 1923 was 20.6 bushels per acre. The average yield in Minnesota, North Dakota and South Dakota and Montana is 9.5 bushels per acre. If the cost of production were the same in both countries, the cost per bushel in this country would be more than 100 per cent. higher than the cost of production in Canada.

"Cost figures already assembled seem to make it safe to assume that the cost of production, including land charge, in this country and Canada, is not less than $15 per acre. If this basis of cost of production is assumed for both countries, the cost of production in the United States for the states mentioned would average $1.57 per bushel and in Canada for the provinces mentioned 72 cents per bushel.

"Yields considered, on no conceivable basis can the difference in the cost of production in this country and in Canada be less than 50 cents per bushel in favor of the Canadian producer."

There is no discounting these statements for they are made not by Canadians, but by American investigators, who cite facts and figures that can't very well be disputed. Immigration officials are glad to be able to put their hands on this kind of testimony, for they have been accused of painting rather too rosy pictures of possibilities before settlers in Canada.

TAX FREE UTILITIES NATIONAL PROBLEM

Like Tax Free Securities in the United States, They Increase Tax Burdens

From Our Own Correspondent.

OTTAWA.—Through the rapid increase in the operations of publicly-owned utilities Canada is in a fair way, through this means, to have a method of tax evasion almost comparable to that of tax-free securities in the United States. It has long been felt that with the great increase in water-power development there was a big leak somewhere, and that the revenues of the country were not getting enough from this rather new and important industry.

There is a great deal of talk about record crops, record production in other lines of business, record freight for the railways and the steamships. It would naturally be expected that with such increased activity tax collections would be greater; but aside from the sales tax, it is improbable that there has been much increase in revenue. The reason is to be found in the growth of state-owned business enterprises that pay little or no taxes. Even companies controlled by provincial or municipal governments are 90 per cent. exempt from federal income taxes. If the investment thus going untaxed were made up, the total would surprise the public.

INDUSTRY PAYING LARGE SHARE OF PROFIT IN TAXES

Bankers and Business Men See Effects of the Burden

CAPITAL 'UNDER BARN'

Result of Federal Loan Discouraging, Not Encouraging, From Standpoint of Business Expansion

From Our Own Correspondent.

MONTREAL.—The effect of heavy taxation on wealth-producing, labor-employing industries is illustrated in the statement of V. J. Hughes, president of Canada Iron Foundries, in the company's annual statement: "Dominion, provincial and municipal taxation was a serious charge on profits, the amount for which your company became liable in direct taxes during the year being over 23 per cent. of its profits." It is this condition of affairs which has brought the realization in the United States that such heavy taxes defeat themselves by discouraging enterprise and thus drying up the sources of revenue. Capital is "under the barn" because of tax levies which preclude reasonable profits. One of Canada's outstanding business leaders in commenting on this situation to THE FINANCIAL POST declared that that so-called success of the recent Dominion loan was one of the most discouraging indications he had seen in the business outlook. "Easy borrowings from our own people means easy spending by governments," he continued, "and it also means that a government loan is considered more satisfactory than the support of Canadian industrial enterprises because of the uncertainty of the latter's future."

Both the president and the general manager of the Bank of Montreal at the annual meeting this week emphasized the necessity of lower taxation as a preliminary to improved conditions. Sir Vincent Meredith stated that he had no apology to make for stressing the imperativeness of moderating public taxation in order to lighten the loan pressing upon business and deterring the development of resources. "The margin of profit in all business is seriously curtailed by the accumulation of taxation, a condition that retards enterprise and discourages thrift," said the president of the bank.

Sir Frederick Williams-Taylor pointed out that for the moment Canada is handicapped in three distinct respects; the high cost of living, high taxation and a lack of adequate population. As the first two handicaps diminished, said Sir Frederick, there would doubtless be a greater volume of immigration and what is more, we should continue to hold the people who came. "Therein lies economic salvation for the Dominion. The remedy is in our own hands and is practicable. We have only to conduct our personal and public affairs more economically than do our neighbors in that most wealthy and free spending of all countries, the United States."

AMEND B.N.A. ACT TO PROTECT CAPITAL

Mortgage Association of Alta. Finds Troubles of Investors Due to Constitution

EDMONTON.—In view of the growing realization that the trend of legislation towards confiscation, and the setting aside of existing covenants and contracts, has seriously impaired borrowing powers in Western Canada and particularly in Alberta, support is being given to a proposal of the Mortgage Loans Association of Alberta that the British North America Act be amended to provide that no one shall be deprived of property by any legislature of any province in Canada or by the parliament of Canada without process of law and that no law impairing the obligation of contracts shall be passed by the parliament of Canada or by any provincial legislature.

While the proposals refer particularly to conditions in the West it is felt that the broad application of the principle of established rights and the sanctity of contracts will encourage the flow of capital and influx of people into Canada by re-establishing and maintaining faith and confidence in the country and the investments made here.

Business Experts to Tell Government How to Reduce Costs and Taxation

From Our Own Correspondent.

WINNIPEG.—The decision of the Bracken government to get the advice of outside experts in an effort to curb public expenditures and reduce taxation is regarded by Winnipeg business men as a most hopeful development in the situation in Western Canada. Business men and financiers met the members of the cabinet in a frank discussion and as a result a representative committee will be convened by the Board of Trade to go through the expenditures of every department of the government with a view to wiping out the provincial income tax, drastically reducing taxation and cutting down the expense of civil administration in the province. Premier Bracken has declared that if the income tax is to be dropped the business men of the province should furnish the necessary constructive suggestions. The conference was attended by representatives from Boards of Trade, Canadian Manufacturers' Association, Manitoba Employers' Association, Trust, Mortgage and business firms, Grain Exchange and the local service clubs.

Why is Canada Faltering?

In an important address delivered last week by Howard Smith, president of the Canadian Manufacturers' Association, to a gathering of Eastern manufacturers, he reviewed the present position of Canadian manufacturing and drew the conclusion that Canadian business was at present floundering in a slough of despond; and that a higher tariff was necessary to send us on the road to prosperity. He took a fairer, broader and more serious view of the situation than has been presented by representative manufacturers for many a year. He took pains to correct a very dangerous impression and one that caused much unfavorable criticism of the Manufacturers' Association. In an address he had made to the manufacturers in Montreal some time ago he apparently put the Canadian Manufacturers' Association officially on record as being strongly opposed to British preferential trade just at a time when so many Canadian manufacturers were profiting, some of them to a very great extent, by the preference given us by the Mother Country on automobiles and a number of other lines. In his latest speech he took a comparatively different attitude and came out quite clearly as a believer in the preferential tariff but he considered that "it should be on such a basis that it will not put our working people out of employment."

He also came out strongly in support of the policy suggested by THE FINANCIAL POST, when the question of an embargo came up a few months ago, for the settlement of the export of pulpwood question. That is, instead of an embargo there should be an export duty on logs, and the money collected from that source should be used exclusively for forest protection and cultivation. He estimates that we could raise in this way $4,000,000 a year and $4,000,000 put into forest protection and cultivation would save many times that in our resources.

He presented a lot of valuable information on our import and export trade and made out a convincing case for the necessary protection for increasing production in Canada of the goods we consume in Canada instead of sending the money out of the country to employ foreign labor and foreign material, instead of holding Canadians at home and bringing others into Canada. He showed how Canada had progressed steadily since the adoption of a national policy of protection in 1878 and the official figures are a remarkable confirmation of his arguments. He also showed that from 1878 until the later war years we raised more than half the revenue necessary to run the country from duties on imports and at the same time helped to build up industry and give employment in Canada. He drew special attention to the fact that four tariff reductions have been made in the last four years, two by the Conservatives and two by the Liberals. After making out a good case for a sound tariff policy in the interests of all classes of Canadians, he asked the question:

"WHY DID WE START FALTERING AND HESITATING DURING THE PAST FOUR YEARS? CANADA WAS ADVANCING STEADILY UNDER THE NATIONAL POLICY OF PROTECTION."

To the disappointment of many in the audience and particularly to THE POST editorial staff, he did not suggest an answer. A partial explanation was given in a sidelight on the situation thrown by Col. Arthur Hatch, vice-president of the Association, who followed Mr. Smith, in an excellent address in which he showed clearly that the sentiment of Canadians had been very favorable to aiding the development of Canadian industry and he went part way in confirmation of the warnings THE POST has been giving for some years in an effort to forestall the present developments. But Colonel Hatch did not go far enough. He contented himself with referring to the fact that it suited private and selfish interests to create distrust between the manufacturers and farmers. He said nothing about similar interests, as pointed out from time to time in THE POST, who created trouble with the labor interests who are the manufacturers' chief allies, or with the retail trade of the country who are the manufacturers' salesmen. Colonel Hatch gave and has been giving the leadership in a new attitude towards the public. The feeling is growing that Canada will never progress industrially, we will not stop emigration; we will not bring in thousands of trained mechanics to develop additional industries, until we have thorough protection for some of our industries, such as woollens, and so on. But we will never get a proper protective tariff until there is a re-alignment of public opinion towards manufacturers. Lower rather than higher adjustment of the tariff is the more likely in the course of the next few years.

The next move is for the president to answer his enquiry: "Why did we start faltering and hesitating during the past four years? Canada was advancing steadily under the national policy of protection." No other country reduced her customs tariff, while all important countries save Canada increased theirs. Not only that but our friends in Australia and the West Indies are putting up walls against us.

EUROPEAN PAPER FOR U.S. TEMPORARY

Demand for Canadian Product Will Increase When Reparations Question Settled

From Our Own Correspondent.

NEW YORK.—The settlement of the reparations question will be followed closely by a stoppage of shipments of newsprint to the United States from European countries, according to F. T. Harris, a well-known American authority on pulp and paper conditions, writing in the current issue of Editor and Publisher. American publishers are able to obtain overseas newsprint, according to Mr. Harris, only because the consumption of newsprint in Europe has dropped enormously. Russian consumption is almost negligible while that of Germany has fallen heavily. The demoralization of these two great paper consuming countries has forced European manufacturers of paper to seek other markets. The German manufacturers of newsprint have continued to produce newsprint at the pre-war rate, as none of the paper mills are in the occupied regions and have been helped out of a difficult situation by the rapid fall in the value of the German mark. The fall in the value of the mark has enabled them to undersell their competitors in the foreign market.

The Scandinavian producers of newsprint, have, according to Mr. Harris, found themselves forced by the decrease in German and Russian consumption to seek other markets. In the non-Russian and non-German markets, they have been encountering fierce competition from the German papermakers with the result that the Scandinavians like the Germans have been forced to invade the American market.

Canada's Debt Increases While States Has Surplus

From Our Own Correspondent.

OTTAWA.—With Secretary Mellon showing a national surplus of $300,000,000 as the basis for the proposed reductions of taxes in the United States, Canada's financial position is receiving increased attention. Unfortunately, there are no such favorable developments as have warranted the tax reduction proposals at Washington. An increase of $27,816,530 in the net debt of Canada during the month of November is shown by the statement issued through the Department of Finance.

COMPANY OPERATED WITHOUT A LICENSE

Warning Against Placing Business With Colonial Marine Underwriters

Following complaints made to the Department of Insurance, Ottawa, a statement has been issued warning the public against placing insurance with the Colonial Marine Underwriters, Ltd. The circumstances surrounding this company's operations have until recently escaped attention from the department, which exercises strict supervision over insurance companies here, thereby protecting the public against fraudulent enterprises. The statement says in part:

"The company was apparently incorporated under the Dominion Companies Act by letters patent in November, 1920, the letters patent containing as usual a provision that nothing therein should authorize the transaction of the business of insurance.

"The company's insurance business appears therefore to have been ultra vires. The department has been unable to obtain any information regarding the attitude of the directors, nor is there any financial statement available.

"This company has no insurance powers from the Dominion and no Dominion authority to issue any policy of insurance."

The complaints allege that the company, with head office in Montreal, has been issuing marine and fire insurance policies in Shanghai and other parts of China, and has failed to pay properly adjusted claims. The Canadian charter would, of course, be a great help in soliciting business in the Orient, where the reputation of Canadian companies stands very high. It is, therefore, a matter of concern to Canadians to avoid adverse publicity arising from any failure to meet contracts or other illegal action in this manner.

THE BIG INCOMES PAID THE BULK OF THE INCOME TAXES

People With $10,000 and up Contributed Sixty-Two Per Cent.

NOT MANY WEALTHY

380 Incomes of $50,000 and Over Paid 25% of Total—Ontario and Quebec Carry Burden

From Our Own Correspondent.

OTTAWA.—Just 380 people, paying on personal income of $50,000 a year and over, paid $8,212,112, or a little over 25 per cent. of the total personal income tax collections during the year ending March last. Of these 380, no fewer than 328 lived in Ontario and Quebec, and paid all but about $900,000 of the total.

Take it another way: 8,615 people paying on incomes of $10,000 a year and up paid last year $20,233,069 or 62 per cent. of the personal income tax collections.

A group of 13,030 persons paying on incomes of from $6,000 to $10,000 paid $3,603,030 in personal income taxes last year. Another group of 113,359 paid $4,616,286 in personal income taxes. Lastly 146,178 people paying on incomes from $1,000, $6,000 paid $3,414,474 in personal income taxes.

It is quite evident that the income tax hits the spot in Canada, for there is no great mass of tax-free bonds as there is in the United States through which this tax can be so easily evaded. That Canada has comparatively few persons of very great wealth is plain also from the fact that only 380 paid on incomes of $50,000 and over; while less than 1,200 paid on incomes of $30,000 and over.

Corporations Paid Big

The total net collections were $59,711,562, of which $32,357,414 were on personal income and $28,022,145 on incomes of corporations. Of the $32,357,414 paid on personal, $13,525,825 was paid by people in Ontario and $10,807,601 by those in Quebec. All the rest of the country paid only a little over $7,300,000. Manitoba paid $2,568,182; British Columbia, $1,906,564; Saskatchewan, $1,159,232; Alberta, $1,021,237; Nova Scotia,

(Continued on page 13)

Australian Proposal Might Prove Boomerang

From Our Own Correspondent.

MONTREAL.—In a special London cable to the Montreal Gazette John MacCormac says that considerable interest and some apprehension has been caused by the hint in THE FINANCIAL POST'S Ottawa despatch published November 2 that Canada might counter Australia's proposal to increase from 25 to 75 per cent. the proportion of Empire capital labor and materials required under her Imperial preferential tariffs by making a similar stipulation in the Canadian preferential tariffs.

Mr. MacCormac refers to the statement of the Manchester Guardian that this threat if carried into effect would react seriously on British export trade to Canada.

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1211 King St. W.
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A General Banking and Foreign Exchange Business Transacted.

UNION
BANK
OF CANADA

Dividend No. 147

Notice is hereby given that a dividend at the rate of 8% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the First day of December, 1923, to shareholders of record at the close of business on the 15th day of November next.
The Transfer Books will be closed from the 16th to the 30th day of November, both days inclusive.

By order of the Board.
J. W. HAMILTON, General Manager.
Winnipeg, Oct. 18th, 1923.

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PEOPLE travelling on long or short journeys will find it most convenient to carry The Dominion Bank Travellers' Cheques. They are negotiable anywhere in the world and can be obtained at any Branch of this Bank

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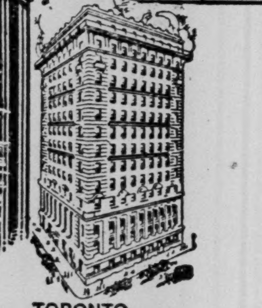

TORONTO OFFICE

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SHOWING OF NEW SALES TAX WILL BE PERMITTED

Customs and Excise Ruling Will Add Materially to General Confusion

WHO PAYS THE TAX

After First of Year Few Wholesalers and Only Some Manufacturers Will be Responsible for Payment

Manufacturers need not show the new sales tax on their invoices. This is the latest ruling of the Customs and Excise Department, Ottawa. As originally prepared the 1924 measure did not definitely state how the tax should be collected. Then the Department issued a ruling that the tax could not be shown on the invoice when the manufacturers sold to retailers or consumers. This raised the storm which ultimately resulted in the revoking of the ruling.

The great bulk of the manufacturers have been in favor of the optional ruling. However, the matter has been left so late, that many of them issued new price lists for 1924. Now the claim is made that those who did not obey the ruling to absorb the tax have a distinct advantage.

Manufacturers selling to retailers or consumers, may absorb the tax or include it in the price charged or show it as a separate item on the invoice. When selling unlicensed wholesalers or jobbers, they must continue to show the tax separately.

It would seem that there is going to be some confusion as to who will be entitled to licenses and who will not. Few wholesalers will pay any taxes and not all manufacturers. Of the latter only the producers of "finished goods" will pay. Those making goods for re-manufacture will not pay. No wholesaler or jobber will be able to qualify for a license unless he sells at least 50 per cent. of his turnover to licensed manufacturers for manufacture. Straight line drygoods, grocery, hardware, or drug wholesalers will be unable to qualify. Wholesalers and jobbers generally will be unlicensed. When licensed manufacturers sell their products to unlicensed concerns, they must pay 6 per cent. of the selling price. When licensed manufacturers sell the products of their factories to licensed manufacturers for their own consumption, again they must pay. But when the licensed manufacturer sells the product of his factories to other licensed manufacturers for re-manufacture, there will be no sales tax on those transactions.

How Will They Know?

Already there are those who ask how they are going to know whether they must account for the tax or not. Regulations provide that where a licensed manufacturer will quote his sales tax number and certify on the order that he is buying these goods for re-manufacture or re-sale, no sales tax will be payable on that transaction. Thus a manufacturer may buy goods to re-manufacture, or he may import goods to re-manufacture, without paying a sales tax. He may import goods to re-sell in the condition as purchased without paying a sales tax at the time of importation. He may buy goods from another Canadian manufacturer for re-sale in the condition purchased without paying sales tax at the time of purchase. But when he sells the goods he becomes accountable for the sales tax. It is permissible to treat him precisely as a licensed wholesaler would be treated. Under this new law a licensed wholesaler will not pay sales tax at the time of purchase or importing the goods, but when he sells the goods he becomes liable for the sales tax. Similarly, a licensed manufacturer will be accountable for sales tax, after he sells the goods, on the purchase price if he bought them in Canada, or on the duty-paid price if he imported them.

The regulations in part 1, paragraph "C" say:

"Every licensed manufacturer, when purchasing or importing goods to be used in, wrought into or attached to articles manufactured or produced by him for sale, and which are goods subject to the consumption or sales tax, shall quote his license number and certify on the order or entry that such goods are to be used in, wrought into or attached to taxable articles manufactured or produced by him for sale. A licensed wholesaler purchasing or importing goods for re-sale shall quote his license number and certify on the order or entry that such goods are for re-sale."

Prices are Falling, But Labor Rise Continues

NEW YORK.—"Further progress is being made in laying foundations for prosperity. Costs of materials are falling, as illustrated by about twice as many declines as advances in Dun's Weekly quotations of commodities. Labor costs at the moment are still rising, but are bound to decline later in consequence of the slowly growing unemployment. Interest rates have fallen considerably according to Moody's Weekly Review.

TO TREAT IRON ORES

The Ontario Government proposes to lead the way in the finding of a successful treatment for the extracting of the iron ore contained in the huge ranges of Northern Ontario.

MILD WEATHER HELPS WEST

CALGARY.—Mild weather so far this winter has been a blessing for the people in Alberta in cutting down fuel bills. The situation is reflected in the demand for coal, which has not been up to what was anticipated.

Thinks Sales Tax Was Adopted Under Pressure

An illustration of the uncertainty of the form in which we are going to be taxed is given by B. T. H. in Canadian Grocer in a story from a business man in reference to the last change. The report goes that the Hon. W. S. Fielding had made up his mind to increase the present sales tax, that is the 2¼ per cent., but that within the last twenty-four hours before bringing down his budget in the spring he was induced to change it. This change meant the levying of the 6 per cent. at the source after the first of January. If pressure was brought to bear on the finance minister at that time, it would be interesting to know from what source it came. No doubt it was directly from inside the government, but perhaps indirectly through other interests. At any rate, the 6 per cent. at the source method was decided upon, and this is what will prevail after January 1 next.

CONSTRUCTION WAS 13 PER CENT. OVER 1922

Prediction Made That $300,000,000 Will be Spent During Coming Year

Construction contracts in Canada for 11 months of 1923 are 12.8% higher than the same period in 1922. The figures are: 1923, $292,746,800; 1922, $259,371,400. Residential building in the period shows a decline for 1923 of 6.6 per cent. Business, industrial and public works and utilities construction all show an advance, being 3.4 per cent., 12.4 per cent. and 53.1 per cent. respectively over 1922. Ontario led with 48.5 per cent, Quebec 33.4 per cent., while the West and Maritimes fell below the 1922 figures.

Dealing with the building outlook for 1924, Maclean's Building Reports say:

"It is evident that 1924 will witness considerable building activity—probably involving an expenditure of three hundred million dollars in the construction field. Much speculative building activity has been eliminated in favor of investment buildings and other high-class structures, while considerable activity may be expected in the engineering field. Building material prices and the labor situation seem to be fairly stable and it is expected that in 1924 there will be only a slight recession in building costs."

Construction contracts awarded during November totalled $15,632,000 compared with $30,078,100 in October and $21,453,900 in November, 1922. Residential building accounted for 42.8 per cent. of the November total amounting to $6,692,700. Business building amounted to $2,834,900 or 18.1 per cent.; industrial building, $733,400 or 4.7 per cent.; and public works and utilities, $5,371,200 or 34.4 per cent.

The Grain Movement

OTTAWA.—Preliminary figures showing the receipts at head of lakes, also Vancouver, for the period from September 1, 1923, to November 23, 1923.

Wheat	145,679,737	5,254,154
Oats	14,202,345	92,970
Barley	7,085,593	......
Flax	2,085,793	......
Rye	2,902,503	89,606
Total	171,955,981	5,436,730
Same period, 1922	169,277,014	3,290,056
Increase over last year	2,678,967	2,146,674

Decline in Wholesale Prices is Still Regulated

The Canadian Bank of Commerce index number of wholesale prices in Canada continues to register a steady recession in the general price level, the figure for imports and exports combined standing at 155.70 in mid-November as compared with 157.94 in mid-October. The general price of exports has fallen from 152.07 to 148.25, that of imports from 163.81 to 163.15. Agricultural, animal and metal products account in the main for the decline. Among the exports which have risen in price, however, are barley, butter, spruce and silver. Among imports, cotton and zinc have also risen.

BATHURST CO. WINS COMPENSATION CASE

Company Charged Board With Extravagance in Administration—Has Own Fund

ST. JOHN.—The appeal of the New Brunswick Compensation Board, which sued the Bathurst Company, of Bathurst, N. B., for compensation taxes aggregating sixty-two thousand dollars, has been refused. The Bathurst company refused to pay the levies. The defence was that the principle of compensation as adopted by the board was entirely inefficient inasmuch as the employer was penalized. Objection was also made that the board did not recognize the company's compensation system. It was asserted that the New Brunswick Compensation Board was extravagantly operated, most of the moneys received being expended not in paying compensation but in salaries and expenses of members of the board and employees. After losing two court decisions, the company continued fighting the attempts of the board to collect the levies. In the supreme court of New Brunswick the company received the verdict. The board appealed, and in the appeal courts of the province the judgment has been affirmed. The board threatens to take the case to the Privy Council if necessary.

SEVENTY BUSHELS TO THE ACRE

LETHBRIDGE.—Seventy bushels of wheat to the acre, all grading number one, on one hundred acres, is reported from the Pincher Creek district. This is the record for Southern Alberta this year.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

Ottawa. — Granby, P. Q., has been established as a chief customs and excise port. The outport of Port Simpson, B.C., has been closed.

Argentina.—In a law sanctioned by the Argentine Chamber of Deputies and submitted for the approval of the senate, it is proposed that all products manufactured in Argentina shall have clearly printed upon the wrappers or containers, or on the articles themselves, the expression "Industria Argentina"; that when imported goods are sold or offered for sale in Argentina the wrappers or containers, or the articles themselves, shall bear a distinct indication of the country of origin and of the factory or workshop in which they were produced; and that the labels on the containers of all products, domestic or foreign, shall set forth the quality of the product, its purity or mixture, and the net weights and measures of its contents.

Jamaica, etc.—In the British colonies where the "invoice price" is the basis for assessing duties, those portions of the standard British form of invoice and certificate of value and origin relating to "current domestic values" are not required. An abbreviated form of invoice and certificate from which all reference to "current domestic value" has been deleted has, therefore, been recommended for adoption by these colonies. The abbreviated form was adopted by St. Lucia on June 14, 1923; by Jamaica on September 13 (with very minor changes); and by Trinidad on October 1.

Germany.—German import duties on a long list of commodities, covering several important groups, have been increased by 33 1-3, 50, or 100 per cent. by a law effective October 25. The changes in the schedule include in general: Plants, vegetables, fruit, spices, fish, mineral waters, animal and vegetable textile materials and manufactures; prepared ornamental feathers, fans, and hats; cotton and cotton goods; waterproofed materials; certain rubber goods; leather goods and wares; furs; materials of animal origin for carving; woodenwares, including furniture; paper, cardboard, and manufactures thereof; earthenware and stoneware; glass and glassware; cameras, lenses, and other photographic apparatus; base and precious metals and their alloys, and manufactures of all these.

Dominica.—By ordinance of Dominica, reductions in import duty were made on biscuits and breads, confectionery, soaps, spirits and wine. In addition to the import duties, a surtax of 5 per cent. of the duty is hereafter to be collected on all dutiable articles.

What Canada Sells—and Buys

What does Canada sell to the various countries of the world? And what does she buy? Poring through government blue books to find this information is a ponderous job for the busy importer or exporter, and to make that unnecessary is the purpose of this series of records of the imports and exports of Canada as regards the important nations we trade with.

All imports and exports are shown where the amount exceeds $100,000, and round figures only are given. The record is based upon the 1923 trade figures. Manufacturers and others interested in foreign commerce are urged to save these compilations which will run for twelve weeks and cover the principal countries of the world.

SCANDINAVIAN COUNTRIES

Denmark

From Denmark Canada bought goods of a value of only $100,000 almost entirely:

Seeds	$ 100,000

To Denmark we sold goods to a value of $2,500,000, or 0.3 per cent. of our export trade and including these commodities:

Flour	$1,500,000
Wheat	200,000
Rye	200,000
Canned lobster	100,000
Clover seed	100,000

Norway

Our imports from Norway amounted to $600,000, 0.1 per cent. of our total imports. The following items were included:

Sardines	$ 300,000
Other fish	100,000

Our exports totalled $2,200,000 or 0.2 per cent. of the total trade and included:

Flour	$ 800,000
Wheat	300,000

Sweden

Imports from Sweden had a value of $500,000 about 0.1 per cent of total imports and there were included:

Iron hoops and bands	$ 100,000

Exports to Sweden amounted to $2,300,000 or 0.3 per cent. of our exports. Exports included these items:

Wheat	$1,500,000
Flour	500,000
Automobiles	400,000
Canned lobster	200,000

Newfoundland

Canada's nearest neighbor sold us goods to a value of $1,400,000 or 0.2 per cent. of our total imports. Chief imports were:

Dried fish	$ 600,000
Iron ore	300,000
Fresh fish	100,000

Our exports to Newfoundland amounted to $8,500,000 or 0.9 per cent. of the total. The chief items exported were as follows:

Flour	$2,600,000
Coal	1,200,000
Sugar	500,000
Petroleum products	500,000
Rubber footwear	300,000
Oats	300,000
Fresh meats	200,000
Explosives	200,000
Butter	200,000
Woollen goods	100,000
Hay	100,000
Apples	100,000
Cattle	100,000
Candy	100,000
Paper	100,000
Cheese	100,000

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TRADE IN EMPIRE SHOWS A BALANCE IN FAVOR CANADA

Our Exports to Other British Countries of Great Importance

IMPORTS OFFSET

Favorable Balance of Trade Within British Zollverein Makes up For Adverse Balance With U.S.A.

From Our Own Correspondent.

MONTREAL.—When it comes to a question of Empire trade, Canada can point to an amazing development already, without the added stimulus of further Imperial preferential tariffs and a closer knit trade fabric in the British Zollverein. Canada's balance of trade with the remainder of the British Commonwealth of Nations is a favorable balance by long odds; sufficiently so to wipe out the balance that stands against this country in its trading with nations outside the Empire—chiefly the United States.

In the twelve months ended October 31, Canada exported to the countries of the Empire goods to a value of $438,620,000 and imported goods to a value of $197,195,000 from the same countries. In the same period our exports to foreign countries amounted to $555,816,000, but our imports were $715,264,000. But as a result of the large excess of exports over imports in British Empire trade Canada has a favorable balance of trade of $82,000,000 in that period.

Our Favorable Balances

It must be admitted that there is point to the complaint of Australia, New Zealand, Newfoundland, and some other dominions and colonies that trade relations between Canada and these countries are so pronouncedly in favor of Canada as to weaken Canada's claim for still further tariff concessions in these quarters. In the twelve months Canada sold to Australia goods to a value of $21,000,000 and imported goods to a value of only $1,350,000. This great disparity is due to the fact that Canada is a manufacturing as well as agricultural country and sends to Australia large quantities of automobiles, electrical goods, farm implements, wire, paper and other products of our industrial plants. On the other hand, Australia produces little that Canada does not itself produce, and our imports from that country include wool, hides and skins and similar products that are obtainable in Canada.

In the case of New Zealand a somewhat similar story is to be told. We sold New Zealand products to a value of $11,100,000 in the twelve-month period, and purchased from New Zealand only $2,400,000 of goods. Newfoundland also produced for Canada a big surplus balance of trade, our exports to our nearest British neighbor being $9,800,000 and our imports $1,300,000.

Our Adverse Balances

There are some British countries that show us an adverse balance of trade, our needs of the products of those countries being greater than their requirements of the goods we manufacture or produce. Such are the British East Indies, British Guiana, British West Indies, with their valuable tropical fruits, teas, jutes, nuts, etc.

With Great Britain we continue to show a great excess of exports, the record for the twelve months ended October 31 last showing exports of $367,100,000 with imports of only $155,100,000.

Canada's trade within the Empire for two years past has been as follows:

Countries		12 Months ended 1922	October 1923
Un. Kingdom,	I	$131,696,060	$155,113,941
Do.	E	326,370,742	367,118,760
Australia	I	1,377,119	1,351,794
Do.	E	15,148,001	21,073,362
Bermuda	I	100,463	62,503
Do.	E	1,004,981	1,170,033
Brit. E. Ind.	I	10,643,193	14,059,239
Do.	E	2,532,295	4,107,348
Brit. Guiana .	I	4,217,205	6,638,804
Do.	E	2,070,260	2,441,883
Brit. S. Af. ..	I	205,949	76,765
Do.	E	4,815,683	6,836,416
Brit. W. Af. ..	I	126,972	303,416
Do.	E	132,628	226,153
Brit. W. Ind.	I	12,004,883	13,339,137
Do.	E	9,546,287	10,709,871
Hong Kong ..	I	1,865,455	1,844,178
Do.	E	2,049,510	2,343,464
Newfoundland,	I	1,254,574	1,273,156
Do.	E	8,353,203	9,858,403
New Zealand .	I	1,832,023	2,432,543
Do.	E	5,992,657	11,117,874
Oth. Brit. Emp.	I	428,783	699,749
Do.	E	1,249,903	1,616,051
Total Empire,	I	$165,752,679	$197,195,180
Do.	E	379,266,150	438,619,618
Ttl. Foreign,	I	574,509,092	715,264,098
Do.	E	436,264,360	555,816,451
Total Imports .		$740,261,771	$912,459,278
Total Exports .		815,530,510	994,436,069

I Imports; E Exports.

Industries Have Fixed Own Minimum Wage Rates

Ontario has a minimum wage board, yet that body active in dealing with many wage problems has never fixed a minimum wage. Neither has it had recourse to courts to force industry to live up to the wage set. In all wage negotiations the board has acted as an intermediary to bring the heads of the industry concerned together and they in turn have agreed upon their own minimum. In all cases the rate fixed has been suitable to the board.

Industrial leaders who have opposed such form of legislation, see one benefit for many of them, from the measure. This refers to the houses which always paid fair wages. It made their competitors bring their wages up to a fairer competitive basis.

Saskatchewan is the World's Healthiest Place

From Our Own Correspondent.

REGINA. — Saskatchewan is the healthiest place in the world, according to the registrar general for Great Britain and the Bureau of Vital Statistics, Ottawa. The registrar general of Great Britain announced recently that the mortality rate of 7.4 per thousand for the province of Saskatchewan in 1921 was the lowest in the British Empire, and the Ottawa Bureau of Vital Statistics capped this by stating that the mortality rate of 7.7 per 1,000 population for Saskatchewan in 1922 was the lowest, not only for any Canadian province, but for any country in the world from which vital statistics are available.

Company's Working Capital Important

In Buying Industrial Bonds Investor Should See that Liquid Position of the Company Gives Protection —Many Trust Deeds Specify What Working Capital Shall be Maintained at.

Industrial executives are more interested in their co-called working capital position than in the apparent profit and loss surplus that their balance sheet indicates. Investors, too, should study the net quick assets of firms they intend to invest with. This is realized by many investment houses specializing in industrial bonds, with the result that a great many circulars offering such investments describe covenants that have been worked into the trust deed under which the issuing corporation undertakes to maintain a certain standard at all times as regards working capital.

Working capital is the money a firm has to carry on its current operations; not money tied up in plant or equipment, but actual money quickly available. A company's working capital is the excess of its current assets above its current liabilities. If current liabilities exceed current assets the firm has a deficit regardless of any surplus the statement may show.

The importance attached to working capital was indicated the other day when the annual report of Canadian Connecticut Cottons was issued. The president made special mention of the growing improvement in the relation between current assets and current liabilities and the consequent improvement in the company's liquid position.

Picking Out the Items

Most industrial corporations' balance sheets will be found to show current assets and current liabilities separated from other assets and liabilities. If not, the investor should not have difficulty in picking out the items that make up each total.

Look Out for "Juggling"

It will easily be seen that when inventories and supplies on hand are included in current assets there is a great deal of scope for juggling with the figures. The proper way of evaluating such items is to include them at cost, or at the current market price, should the latter be lower. This rule, unfortunately, is often broken and corporations sometimes mark up their inventories if market prices show a tendency to increase. This enables an extra profit to be shown if the fiscal year should end about the time the prices are marked up But should market prices take a slump right after, there would have to be a deduction from the next statement of "profits" that had never been earned.

When materials have been purchased at high prices and are carried at cost, or above, there is always danger of a slump in commodity prices that would wipe out a good deal of assets represented by inventories. This happened in 1920 and caused serious loss and inconvenience to many firms. Many of them made manufacturing profits but lost heavily on their inventories. Others had such a large share of their working capital wiped out in this manner that bond issues had to be made to provide funds in liquid form for carrying on operations. Large inventories should always be watched carefully by investors, and if any very great rise in the total occurs without apparent reason questions should be asked.

Are Accounts Collectible

In examining accounts and bills receivable it must also be realized that opportunity for throwing the company's position in a falsely favorable position exists here as well. Accounts payable have to be paid, but accounts receivable cannot always be collected. It is good accountancy to wipe off annually all bad or doubtful debts, and it is well to look for the president's or auditor's statement to the effect that all bad and doubtful debts have been taken care of.

To put a company in good shape it is usually necessary that current assets should be at least twice current liabilities. Many companies go well beyond this. The stronger a company is in this proportion the better.

Should Debt Exceed Quick Assets

It is felt by many that the bonded debt of a company should never exceed the net quick assets, except when a company possesses real estate when the rule might be set down that the two-thirds of the real estate value, plus the net quick assets, should cover the bonds.

Many companies, although their real estate exceeds the value of their bonds, undertake to keep net quick assets always higher than the total of bonds outstanding.

The Belgo-Canadian Paper Company in issuing $8,000,000 of bonds this year undertook not to make any new capital expenditures, nor to pay any dividends that would reduce working capital below 25 per cent. of outstanding bonds or total current assets below a figure equal to one and a half times current liabilities. This could hardly be called a burdensome provision for any company, and one that is a fair and moderate source of additional protection to the bond holders. In the case of the Bay Sulphite Company's $3,000,000 issue there was a similar provision.

Policies of Other Firms

Price Brothers and Company in issuing $10,000,000 of bonds made a similar covenant with the additional provision that if current assets should fall below 125 per cent. of current liabilities that this should constitute a default. As a matter of fact, when the bonds were issued, current assets were nearly six times current liabilities.

Another industrial issue recently made with a working capital covenant was the $1,000,000 block of bonds of the Woods' Manufacturing Company. The company agreed to maintain net current assets of not less than 50 per cent. of the amount of bonds outstanding, with a minimum of $500,000 at any time, and it agreed also not to pay any cash dividends on the common stock unless current assets amounted to 150 per cent. of current liabilities. Again, in the case of this company, the position was better than required, for working capital was more than $1,500,000, one and a half times the amount of the bond issue and three times the amount required, while current assets were 250 per cent. of current liabilities.

Providing Working Capital

Differences of opinion exist on the advisability of issuing bonds to provide working capital. It is usually better to provide working capital by stock issues rather than by bond issues, except in the case of firms that require abnormal amounts of working capital at certain periods of the year. Even in the case of these firms, bond issues should not be necessary, for the banks can be relied upon to carry a good firm's paper over the abnormal season.

The average firm will provide itself with a certain amount of working capital in its initial financing, and will then build up its working capital out of earnings, using a portion of net profits to enlarge operations rather than paying the total out of dividends. Many concerns also finance capital expenditures out of earnings, putting in new plant and machinery without any new financing. This may put the company in the position where its working capital provides only a narrow margin above the minimum requirements. If before the company has again built up its working capital position, it should enter a period of falling prices and suffer serious slumps in inventory values, it would be forced to reimburse its treasury for the sums spent on capital account by issuing new bonds. This has happened in the case of a number of important concerns in Canada during the past two or three years.

In judging bond issues, investors are too prone to look at the fixed and tangible assets and overlook the all-important item of net quick assets or working capital. It is conceivable that a valuable property could suffer a serious decline in value if there were a default in its bonds, and it might bring only a small proportion of its normal value as a going concern. But where current assets are properly maintained the danger of loss to the bondholders is minimized.
—F. S. C.

Canadians Put Jamaica In Cocoanut Business

From Our Own Correspondent.

MONTREAL.—A large progressive sugar estate in Jamaica, which is under Canadian ownership and control is about to instal a plant for the manufacture of desiccated cocoanut; this will be the first attempt to produce this commodity on a considerable scale in Jamaica. Canada is the market in view, and the industry seems to offer good prospects. It is not improbable that other plants will be erected in the near future.

Costs Cause Shortage of Workmen's Houses

NEW YORK.—High building costs have brought about such an effective blockade on housing that to-day no houses for working men are being built, according to the National Housing Association of America. The high cost of labor, of materials and of money are the three vital factors in the housing shortage. The association is considering the question of how houses can be provided for the working man, the part of labor in reducing the cost of housing and the part of the manufacturer in that same reduction, as well as the possibility of standardization in building material and of eliminating waste.

Used Presses of Mint for Counterfeit Coins

LONDON.—Not for a hundred years has such an audacious case of counterfeit coining come to light as that which resulted in a trusted employee at the mint being sentenced at the Old Bailey. This man, it was proved, actually made use of machinery inside those premises in a clever attempt to imitate current coin. His detection was brought about by a sharp-eyed clerk behind the counter of a post office. A peculiarity in wear on an apparently new half-crown aroused his suspicions, and the man who tendered it was detained. How the bold fraud was carried out was first described to the Thames magistrate when Francis Bowie, 49, head messenger at the Royal Mint, living at South Road, Edmonton, appeared to answer a charge of making and uttering counterfeit coin. According to Mr. Rowe, for the Public Prosecutor, Bowie had abused a position of trust, and had actually used one or more of the presses of the mint for the purpose of striking 25 spurious half-crowns, which he had stolen, conveyed out of the mint, and uttered in the city of London.

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THE ROYAL BANK OF CANADA
Statement to the Dominion Government (Condensed)
October 31, 1923
Head Office MONTREAL

LIABILITIES	
Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,007,514.19
Notes in Circulation	31,462,151.54
Deposits	442,654,790.51
Due to other Banks	15,503,768.82
Bills payable (Acceptances by London Branch)	4,181,014.07
Letters of Credit outstanding	16,218,368.71
	$551,827,607.84

ASSETS.	
Cash on Hand and in Banks	$111,536,369.93
Deposit in the Central Gold Reserves	12,000,000.00
Government and Municipal Securities	50,631,778.89
Railway and other Bonds, Debentures and Stocks	9,675,722.07
Call Loans in Canada	29,257,652.88
Call Loans elsewhere than in Canada	31,188,976.58
	$244,290,500.35
Loans and Discounts	274,501,921.09
Liabilities of Customers under Letters of Credit as per Contra	16,218,368.71
Bank Premises	13,352,229.98
Real Estate other than Bank Premises	2,070,688.86
Mortgages on Real Estate sold by the Bank	373,898.85
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$551,827,607.84

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HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

News and Views for Investors

NATIONAL TRUST HIGHER

Transactions totalling 16 shares sent National Trust stock to a new high on Toronto market. Three lots were offered 10, 3 and 3, and they brought $5 a share above the last sale of 210.

BANK SHARES STRONG

Banking shares were in demand during the past week and some material gains were recorded. The two most notable were Commerce which sold up from 182 to 184½ and Imperial from 175 to 179. The one decline was a fractional one.

MONARCH KNITTING

Shares of Monarch Knitting made their appearance on the market for the first time since May 28, when they sold at 40. Two small blocks changed hands this week, 23 at 30 and 2 at 36. The company is reported as having rounded out an excellent year.

AFTER SHIPPING PLANT

Duponts are reported after the Bridgeburg Shipbuilding plant of Canadian Allis-Chalmers. Rumors are that the big acreage of the paint would be used to establish an artificial silk industry. Nearly a half million dollars are said to be involved in the purchase.

BRITISH EMPIRE STEEL COMMON

The improved outlook for British Empire Steel, because of the clearing of the air in regard the labor situation in the steel section, was reflected in the rise of the common stock to 5. Since early in October the stock has been selling below that point.

DOMINION GLASS

Dominion Glass is in demand with the result that of late the stock made two records for the year. The price of 105 reached this week was a new high while the total transaction, 1,851 shares, is the largest volume traded in for any week this year. The position of the company is said to be excellent.

RUSSELL MOTORS

First sales of Russell Motor since March were recorded when two small blocks, 100 and 125 shares respectively were marketed at 17 and 17½. The sale in March was at 36. Brokers express the opinion that the price of the recent sales is hardly a true indication of the value of the stock. They believe the sales were forced liquidation.

B.C. FISHING

The past week saw the possibilities which the British preference on canned salmon holds for B.C. Fishing, reflected in the market for that stock. It moved up to 19½ and then eased back one point. It was a distinct buying movement, only 229 shares coming out. On Nov. 14, the stock reached its lowest point of 12.

CITY DAIRY COMMON

The market gave a mixed reception to the City Dairy stock exchange. A week ago, a couple of days prior to the announcement that stock sold at 158½, the next day it was up 5½ points to 164; then 175 the day the announcement was made. Then the decline set in, 173 the day after, then down 7 to 160. All on trading involving 624 shares.

B.C. ELECTRIC

The British Columbia Electric Railway Co., reports gross earnings for September amounting to $849,483, an increase of $12,880 over the same month in 1922. Working expenses, maintenance, etc., increased from $593,899 to $603,472, while net income at $246,011, was higher by $3,307. Net earnings from July 1 to Sept. 30, at $727,077, showed an increase of $35,910.

TEXTILES NEGLECTED

Textile shares have not been doing well on the market of late. Most of these firms have had a fair year. Many brokers say that the unseasonable fall has led many to believe that the Textile houses will have trouble disposing of the large stocks prepared earlier in the year for the winter trade. To this they attribute the neglect of this market group.

GET LAST DIVIDEND

Bank of Hamilton has declared its last dividend. It is one per cent. for the month of December. The 50,000 Bank of Hamilton shareholders will have their new Bank of Commerce stock by the first of the year. They will get Commerce dividends for the first two months of the new year and on March 1 the new Commerce stock will be issued and the old recalled.

WESTERN LUMBER

Sales of lumber during the month of September, reported by the Canadian Western Lumber Co., which also includes the Columbia River Lumber Co., amounted to 13,662,400 feet, and the price realized $374,809. For the same month in 1922 the sales were 11,433,086 feet, realizing $292,522. Aggregate sales from Jan. 1, to Sept. 30, at 100,031,842 feet and realizing $2,825,240, compared with 92,610,835 feet, realizing $2,188,295 for the corresponding period last year.

ST. MAURICE IN DEMAND

St. Maurice Paper advanced 5 points this week to 110 on sales of 2,275 shares. This advance is said to be in anticipation of an increased bonus on dividend. The present year has been a good one. The stock sold at 114½ in August.

SALES TOTAL A MILLION

One million dollars was involved in the week's trading in Montreal Light, Heat and Power shares. Transactions totalled 7,392 shares with a price advance from 129½ to 135⅜ indicating a heavy demand. This is a new high for the stock.

FORD PLANT READY

Ford of Canada is about ready to start its large Toronto plant which will turn out cars on an unprecedented scale. Production has been held back awaiting the completion of the new factory. This is about ready and night work will be undertaken to catch up with orders. The new models are to be produced.

BESCO COAL OUTPUT

British Empire Steel has shipped 1,436,000 tons of coal from Sydney to St. Lawrence ports this year, as against 1,172,000 during 1922. This is an increase of 84,000 tons, yet is considerably smaller than anticipated by officials earlier in the season. The strike of miners in July caused a loss of over 200,000 tons. Production from the mines for the year will be far in excess of the 1922 of 4,159,366. Tonnage figures for the first ten months of the present year total 4,363,737 tons, an increase of 204,371 tons. Officials of the corporation anticipate a production of five million tons from all its collieries for 1923.

DETROIT UNITED

Elliott C. Stevenson, president of Detroit United, has given out the following reassuring statement: "In my opinion, the recent uneasiness that has prevailed among the stockholders of the Detroit United Railway, based upon information contained in application to the public utilities commission of Michigan for an increase of rates of fare, was unwarranted. The operating earnings of the company have been better during the current year than the previous year, and the increased expenses in operating will be fully covered by the increase in rates of fare asked for. The regular quarterly dividend upon the company's stock has just been paid, December 1, 1923, and it is my confident expectation that with the increase in rates of fare applied for, and which the company under the law is clearly entitled to, this dividend will continue to be paid indefinitely."

SPANISH RIVER

"Strong as was the showing of Spanish River for the fiscal year, it is generally understood that on the basis of the first four months showing for the current fiscal year, up to October 31, the next annual report must place the company on an entirely different plane, both preferred and common dividends, after charges and depreciation, and liberal provision for contingencies, having been more than earned for the entire year in the period mentioned," say Craig, Luther and Irvine. Their letter concludes: "The market could not long refrain from recognizing the important impending increase in the net tangible assets applicable to the common stock.

"On June 30, last, these amounted to $13,662,356, or $144.62 per share after deducting bond discount and expenses. On the same basis, the equity for the common one year previous amounted to $124,04.

"The market has evidently set itself the task of discounting the future as on the current showing of earnings it is believed they should represent over 22 per cent. on both classes of stock by June 30th, next."

BARCELONA TRACTION

Gross earnings of the Barcelona Traction, Light and Power Co., for the month of October at 4,339,004 pesetas, showed an increase of 257,640, compared with the same month in 1922. Operating expenses at 1,617,078 were higher by 164,666 pesetas. Net earnings amounting to 2,721,926 pesetas, showed an increase of 92,974. Aggregate gross from Jan. 1, to Oct. 31, totalled 41,430,358, an increase of 3,715,313 pesetas, and aggregate net at 23,544,691 showed a gain of 651,862. Following are comparative figures:

	Gross (pesetas)	Net (pesetas)	Net inc. (pesetas)
Sept., 1922..	3,810,785	2,252,330	256,333
Oct.	4,081,365	2,628,952	670,646
Nov.	4,748,246	2,796,796	301,232
Dec.	4,535,009	2,344,602	*217,110
Jan., 1923..	4,855,464	2,228,751	*291,060
Feb.	4,495,111	1,953,656	*389,884
Mar.	4,329,771	2,383,780	*115,275
April	4,264,756	2,725,656	449,448
May	4,102,048	2,600,937	640,713
June	3,711,837	2,510,159	421,985
July	3,521,912	1,860,456	*266,744
Aug.	3,826,083	2,234,243	36,908
Sept.	3,984,372	2,325,127	72,797
Oct.	4,339,004	2,721,926	92,974

*Decrease.

SAVING ON COAL TO BE SPENT WITH MANUFACTURERS

Hon. Geo. Hoadley Makes the Advantages Plain

SUPPLY FROM ALBERTA

Transportation and Production Must be Adjusted—West Realizes Seriousness of Tax Problems

It has taken a Western farmer and rancher to give the Eastern manufacturers a practical suggestion in big business. Hon. George Hoadley, Minister of Agriculture and Health in the Alberta Farmers' Cabinet, has been at Ottawa for the Immigration Conference. "Emigration" more than "Immigration" is worrying him and he thinks more about practical policies that will keep our own people and our own money in the country.

At present this Alberta coal problem is chiefly sentimental and useful on Eastern political platforms along with the Union Jack. But Mr. Hoadley gives the problem a new and practical twist—a big, startling thought that should distribute a hundred millions a year among Eastern workers, manufacturers and every other interest. This $100,000,000 is, roughly, the amount we now send out of the country to buy U. S. coal. To us a hundred millions a year is a large sum. This is about what the Americans have been paying us for our paper and everyone recognizes it as a mighty important factor in our prosperity. Mr. Hoadley sees no reason why Ontario should not get all its coal from Alberta. The big thing about all this is that the greater part of the hundred million would go out in wages to our own miners and transport workers. This would mean more permanent employment in Canada with wages that would keep our own people in the country and the greater part of which would finally go, directly or indirectly, to Eastern manufacturers. He estimates that Alberta has 17 per cent. of the world's coal deposits, 77 per cent. of the British Empire coal and 89 per cent. of the coal of Canada. Moreover, Alberta coal is superior to the imported.

Spent in Canada

"Just think for one moment what it would mean to the business of Canada if this $100,000,000 were used to feed the various channels of business in Canada itself?" asks Mr. Hoadley. "Have we not a right to hope and believe that such a desire will result in the expenditure of this money within our own country? And this greatly to be desired result can be brought about by the two institutions involved in its solution—the railroads and the producers of coal. Our premier is now doing everything possible to induce the coal producers' association to go into costs to see what, if any reduction in price can be made at the pit mouth. If the premier succeeds in getting a worthwhile reduction, why should not the railways? If they fail to find a solution of this problem, unquestionably a solution must be found. Are we prepared to say that we have neither the inspiration nor the ability to bring about the desired results in the interests of all the people of Canada?"

Hon. Mr. Hoadley also brought up the question of our present system of taxation. He said that Hon. Mr. Greenfield, premier of Alberta, has been in communication with the Dominion government and has asked them to call a conference between the federal government and the provincial governments for the purpose of reviewing the whole question of taxation and coming to a decision as to the Dominion field and the provincial field. In regard to the general question of taxation he said: "I can only speak for myself and believe that the function of taxation should be that of raising the necessary revenue to carry on the various functions of government without stultifying any activity or retarding any development. Immigration is necessary for development; so is capital and unquestionably a feeling of confidence must be created in the mind of the investor if we are to receive that capital.

"All experience points to the fact that the future of Canada is wrapped up in her development, and to bring about that development we need capital and we need labor and to get both we must create reasonable conditions in regard to the rights of both.

"There is unquestionably a feeling in Alberta that the present systems of taxation are unscientific and detrimental to industry. This realization of the difficulty that the West would experience in securing the necessary funds for the development of her great potentialities has had a great influence in creating this sentiment. We recognize the inevitable result any unjust, unfair, and inequitable system of raising revenue has on the taxpayer within as well as without the territory. If our information is correct and realization as indicated, we must adopt methods which will encourage capital in the future. With population and capital coming together in the Western Provinces for the purpose of developing their great resources, we can see an era of prosperity which will discount our most optimistic dreams."

Many Sick Institutions

At his own request, Mr. Hoadley had the Department of Health added to his Department of Agriculture and is at present making some investigations in that direction in the East. He says there are too many sick people in public institutions, too much loss of time through preventable sickness. He believes it is possible for the province to save hundreds of thousands. Judging from statement made by Dr. Fisk of the Life Extension Institute recently, a great work can be done. Dr. Fisk shows that in the United States the annual economic loss from preventable diseases and death was more than $3,000,000,000; from the tuberculosis death rate alone, $500,000,000; for this generation, $26,000,000,000; loss from illness to 42,000,000 gainfully employed, 350,000,000 days; deaths from industrial accidents, 28,000.

PULP AND PAPER TRADE CAN NAME ITS OWN FUTURE

Expansion of Industry is Entirely Up To the Companies

SUPPLIES OF WOOD

A Billion and a Half Invested in the Industry—Adequate Raw Material Must Be Assured

From Our Own Correspondent.

MONTREAL.—A clarion call to save the billion-dollar pulp and paper industry of the North American continent from starving to death for want of raw material comes from an American writer who has just completed what is perhaps the most exhaustive survey of the timber resources of North America that has ever been made. This writer is Royal S. Kellogg, whose new work "Pulpwood and Wood Pulp in North America" is just off the presses of the McGraw-Hill Book Company.

"The time has come when those who have millions of dollars invested in plants for the utilization of timber must investigate seriously the permanence of their supply of raw material," says Mr. Kellogg. "Those who have enjoyed an abundance of every variety of forest products must be prepared to bear their share of the undertakings if they are to have in the future an even smaller supply at a higher cost." The remedy, according to the writer, is begin to grow timber crops in the same way that we grow grain and hay. "We must make the most of what is left of our timber stand and start a new crop if the next generation is not to be greatly pinched for wood, and the succeeding one still more handicapped."

Much Wood is Used

Mr. Kellogg goes extensively into the consumption of American and Canadian pulpwood. Yet he does not emphasize the consumption of pulpwood to the exclusion of other kinds of wood. From the beginning of the wood pulp industry in America to the present time he estimates that the United States has cut about 82,000,000 cords of pulpwood, and Canada about 48,000,000, a total of 130,000,000 cords. Yet, until recent years, there was an annual consumption of firewood in the United States of about 100,000,000 cords a year, or as much wood as went into paper in that country in fifty years. Wood cut for fuel in Canada is twice as great as wood cut for pulp. Attention has been drawn to pulpwood because it comprises only a few species cut in a few areas.

Of the wood that has been consumed in the pulp and paper industry on the continent about 47,000,000 cords have gone into groundwood pulp, which is the main constituent of newsprint. Of this, about 32,000,000 cords have been used in the United States, and about 15,000,000 cords in Canada. The large supplies of groundwood pulp have made possible the expansion of the newsprint industry on the continent. Practically all of the American production, and four-fifths of the Canadian production, is for use in the United States, where more newsprint paper is used than in the entire rest of the world combined. The circulation of Sunday newspapers is now about 20,000,000 copies, and of the dailies about 30,000,000 copies, and each paper is a 100 per cent. forest product, just as truly as a board or a baseball bat.

In the manufacture of sulphite pulp about 62,000,000 cords of wood have been used, of which Canada has used about 11,000,000 cords, and the United States about 51,000,000 cords.

In newsprint, Canadian mills are expected to pass American production in 1925. Now the capacity of North American newsprint mills is about 9,500 tons a day, of which 5,150 tons is in the United States and the balance in Canada and Newfoundland. In sulphite, American mills had in 1919 a rated capacity of 1,656,000 tons a year and, Canadian mills 682,000 tons, although since that date Canadian capacity has materially increased.

In this industry about a billion and a half dollars have been invested, of which about $400,000,000 is invested in Canada. It is to save this industry that forestry is demanded by Mr. Kellogg. His book goes extensively into possible systems of forestry or timber growing and protection. He makes the point that although this continent now has the highest per capita annual consumption of paper of any part of the world, the growth in the rate of consumption can continue so long as adequate supplies of paper at a reasonable price are available, and, of course, the provision of adequate supplies of wood for papermaking is a better method of providing the supplies of cheap paper than an attempt to find a substitute for wood. In this way Mr. Kellogg puts it up to the industry; if it wants its markets to be held and even to expand it must provide adequate supplies of raw material to keep down the price of the finished article.

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To-day
The Onward March of Progress,

Write for particulars of a first mortgage water power bond carrying a bonus of common stock which we will shortly be offering

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STEADY FLOW FROM ALBERTA OIL WELL

Past Month Saw Canada's Production Go Up Sixty-Five Per Cent.

From Our Own Correspondent.

EDMONTON.—Great interest has been awakened hereabouts in the recent oil strike at Wainwright. The find gives every appearance of being a real one, and it confirms the belief that has been fairly general for a long time past that there are good oil possibilities in that particular field. An analysis of the oil by the provincial analyst shows crude gasoline content of 2.2 per cent., crude kerosene 30, and crude lubricating oil 39. Further tests are being made by the owning company at Vancouver.

The British Petroleums Company, in whose well the strike was made, is a $5,000,000 concern financed mostly by English and British Columbia capital. It has already sold enough of this stock to cover its initial operations, and to date the well has cost about $35,000, an outlay that compares surprisingly well with the experimental investments of the Imperial Oil and other development companies. Operations were begun last June, and the well was down to a depth of 2,020 feet when the strike was made. The flow is reported at 100 barrels a day.

It is understood that further drilling in the immediate vicinity will be carried on next spring and that during the winter arrangements will be made for fully trying out the Wainwright field. Meanwhile a fresh impetus has been given to the oil industry of central and northern Alberta.

The well is the second one in Canada to produce oil in a month. The first was in what is regarded as a new field in Essex Co., Western Ontario. Its production is placed around 200 barrels daily. Thus, the two increase Canada's oil production by about 65 per cent.

Montreal Has Thousands of Apartment Homes

From Our Own Correspondent.

MONTREAL. — Wooden dwellings still hold sway in Canada, although the number of brick dwellings is growing rapidly. In 1921 there were 1,290,396 wooden dwellings in Canada and 383,032 brick dwellings. But there was an increase of 36% in the number of brick dwellings as against an increase of only 23% in the number of wooden dwellings.

Montreal has become thoroughly apartmentized and one third of the apartment dwellings of Canada are in that city. Montreal has 12,815 apartments as against only 2,188 in Toronto, the next city. Montreal also has 37,467 homes in terraces as against only 14,011 in Toronto, which is against the next city.

Toronto evidences greater resistance to the tide of crowded living by having 35,122 single dwellings against Montreal's 24,104. The proportion is really greater in favor of Toronto for the city has 46,035 semi-detached homes as against 19,576 in Montreal. Winnipeg has more single homes than Montreal, or 26,613.

Toronto has the most brick homes; Montreal the most stone homes, Winnipeg the most wooden homes and Toronto the most concrete homes.

RAILWAY EARNINGS

Week ending Nov. 30.:

	1923	1922	Change
C. P. R.	$6,351,000	$5,807,000+	$544,000
C. N. R.	7,112,394	6,837,829+	274,565

Financing Concern to Sell Peat Fuels

From Our Own Correspondent.

MONTREAL.—An offering is now being made by Peat Fuels, Limited, of its capital stock. The capitalization consists of $100,000 of 7 per cent. cumulative preferred stock and 20,000 common shares of no par value. The directors include Kennedy Stinson, Ernest V. Moore, consulting engineer and other business men.

The purpose of the company is to develop the sale of peat fuel in Ontario and Quebec. It will acquire the buildings, plant and equipment at the government experimental plant at Alfred, Ontario, and the offering of stock now being made is to finance acquisition of the peat lands.

Elect New Officers of Connors Brothers, Ltd.

ST. JOHN, N. B.—A. N. McLean, formerly of the Bank of New Brunswick and the Bank of Nova Scotia, has been elected president of Connors Brothers, fish packers at Black's Harbor, N. B., at a meeting last week. P. W. Connors, formerly of Connors Brothers, was elected vice-president and manager of production. It is proposed to widen the scope of the packing business and also to enlarge the capacity of the plants. In addition to packing sardines, fresh lobsters, etc., the company operates a steamship service between Black's Harbor and St. John, N. B. Efforts will also be made to effect the construction of a branch line connecting with the Canadian Pacific shore line branch, the new line to be seventeen miles long.

New financing is being done by a bond issue now being offered to the public by Doherty, Easson & Co.

NOVA SCOTIA COAL PRODUCTION

HALIFAX.—Coal production of Nova Scotia this year will reach at least 6,000,000 tons, according to the Hon. E. H. Armstrong, Premier of Nova Scotia and Minister of Mines for the province. As the total production last year was 3,642,196 tons, the increase this year will be more than one and one-half million tons. The collieries are in good condition and preparations are in progress for the opening of new mines.

BRAZILIAN TRACTION

The Brazilian Traction, Light and Power Company reports more satisfactory earnings for October than for any previous month of the year. Gross for the month at 22,083,000 milreis compared with 18,231,000 milreis for the same month in 1922, an increase of 3,852,000. Operating expenses increased from 6,331,000 milreis to 8,811,000, while net earnings at 13,272,000 compared with 11,900,000 last year, an increase of 1,372,000. The aggregate gross for the ten months ending with October at 203,963,000 milreis, showed an increase of 41,822,000 and the aggregate net at 122,678,000, was higher by 20,815,000 milreis. The company states that the increased revenue is to a large extent due to the fact that the revenue from some of the services is payable in whole or in part on a gold basis and therefore larger receipts in milreis are shown in consequence of the decline in Brazilian exchange. Following are comparative figures:

	Gross (milreis)	Net (milreis)	Net inc. (milreis)
Oct., 1922	18,231,000	11,900,000	2,739,000
Nov. . ..	17,735,000	11,240,000	2,420,000
Dec. . ..	17,873,000	11,403,000	2,049,000
Jan., 1923	18,658,000	11,027,000	2,231,000
Feb. . ..	17,743,000	10,722,000	2,362,000
Mar. . ..	19,475,000	11,811,000	2,514,000
April . ..	19,727,000	11,646,000	1,986,000
May . ..	20,990,000	12,706,000	2,511,000
June . ..	20,870,000	12,809,000	2,362,000
July . ..	21,300,000	12,852,000	2,152,000
Aug. . ..	21,949,000	13,254,000	2,230,000
Sept. . ..	21,168,000	12,679,000	1,095,000
Oct.	22,083,000	13,272,000	1,372,000

SAVING MONEY

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MARKET IS NOW DISCOUNTING NEXT BUSINESS UP-TURN

Leaders Say That Conditions Have Been Ripe For Some Time

BANKS ARE STRONG

With Industrial Group They Provided the Leadership of Week's Trading on Canadian Exchanges

The market continues to reflect the optimism that has been rampant to a more or less degree for the past four or five weeks. The tendency is still upward. This movement was not so pronounced during the past seven days as in the period before. The gains, however, were 50 per cent. greater than the losses, while some of the individual gains were equal to the total of the fractional losses that made up practically all the adverse movements.

That pessimism has given way to optimism; that a good volume of business is being done and will continue and that stability in prices has been reached, is the reason many market leaders advance for the firm tendency of the lists. That conditions have been ripe for a change for some time many agree. In support of this it is pointed out that but a small thing, the declaration of a small extra dividend by U. S. Steel, late in October, provided the turning point. The New York market eagerly grasped this leadership and much quicker than has been the case in the past, the Canadian markets followed.

Some say, that the business pessimism that was rampant up to this time, had gone too far. Spencer, Trask & Co., New York, give figures that support this when they point out:

"The index number of the Bureau of Labor, which is made up largely of wholesale prices, and of Dun's, which incorporates a larger percentage of retail prices, showed respectively a decline and rise of only about 1 per cent. during October, and a maximum fluctuation of only approximately 2 2/3 per cent. during the past three months."

This would also support the contention that prices of commodities have reached a point of stability and the movement of the market would naturally be to discount the next movement.

Montreal's activity subsided somewhat this week. Gains previously made were well maintained, however, seeming to indicate considerable fundamental strength. It is not anticipated that the stock market will acquire any great strength or activity between now and Christmas as the near approach to a holiday is always a factor to prevent speculative movements.

Hayden, Stone & Co., Boston, declare basic conditions as to money, crops, employment, etc., are sound. They say a big business will be done. They stress the point, however, that keen competition is to be expected and large profits for manufacturers are not to be expected. They sound a new note of warning by pointing to some actual conditions in the U. S. which would indicate that some caution should be observed in making new market commitments. They say:

"The fact should not be lost sight of, that two important railroad systems have recently laid off several thousand men because the reduced volume of traffic made their services no longer necessary; that steel operations are still on the decline; that the cotton situation has become so abnormal that not only New England but the southern mills are curtailing; that the bituminous coal industry is almost demoralized. This is the season of the year when idle railroad cars normally begin to increase, and this year is no exception. At no time, in spite of the heavy traffic, has there been a serious car shortage."

Taking the market movement of the past week, the banks and industrial groups furnished the leadership. The former were much the stronger and recorded some material gains. The papers, tractions and utilities came back somewhat while the specialties were somewhat neglected.

The changes are shown by the following table:

Group	No.	Gain	Loss	Unchg.
Paper	10	3	3	4
Industrial	19	5	3	11
Specialties	7	1	1	5
Traction	5	3	2	0
Utilities	12	3	1	8
Steel	6	2	2	2
Textiles	8	1	3	4
Milling	5	2	0	3
Banks	12	5	1	6
	84	25	16	43

Vancouver is Getting Bigger Wheat Shipments

From Our Own Correspondent.

OTTAWA.—Up to November 16, the port of Vancouver had received nearly twice as much grain this fall as it has last. That is from September 1, or 4,727,353 bushels, as compared with 2,778,723 bushels during the same time last year. While this is a considerable increase, it is not quite in keeping with the increase in the size of the Alberta crop, which may be three times greater than in 1922.

Up to November 30 this fall the wheat shipped from the head of the Great Lakes amounted to 118,837,339 bushels, an increase of 4,889,304 bushels over that for the same time last year. Buffalo had received 3,314,360 bushels less than for the same time last year. On the other hand, there was an increase of 3,504,920 bushels shipped to Montreal.

HALIFAX TRAMWAYS VALUATION $4,907,600

HALIFAX.—The Public Utilities Board has placed a valuation of $4,907,600 on the Nova Scotia Tramways and Power Co.'s plants, equipment. The rates to be charged consumers will be such as to give the company 8 per cent. on this valuation.

This will govern all rates for electric light and power and tramway and gas services. The valuation has been going on for two and a half years. The valuation includes, says the board's report, a fair value of such physical assets and such undertakings as a going concern has departments, as of October 1, 1921, including reasonable and proper allowances for organization and legal expenses and going value.

MAY BUY BANKRUPT LINE

Dominion Power, of Hamilton, may sell its Hamilton Dundas line to the T. H. and B. Railway. Cars have not operated on the line for 3 months. The Hamilton - Dundas line is bankrupt. Dominion Power guaranteed its bonds. The T. H. and B. would like to extend its service to Dundas. When the line was operated their cars were hauled over this line.

Unfavorable Crop Caused Heavy Loss

A loss of $549,784 was sustained by Alberta Pacific Grain Co. for the fiscal year ending June 30. The poor crop in Alberta in 1922, losses on export business, and the realization on large grain stocks carried forward were responsible for the poor showing of the year, which is the first time in its ten-year history that operations have been carried on at a loss.

Before beginning the present season's operations the company had satisfactorily disposed of all stocks on hand, and with the splendid 1923 crop the directors expect to make a favorable showing.

The 1922 loss of $549,784 includes a depreciation provision of $55,328 which brings the total reserve for depreciation up to $1,225,000. Four quarterly dividends of $7 each, involving $87,500, were paid.

This company operates many elevators on the prairies, having 286 either operating or under construction, in addition to a large terminal elevator at Calgary. Assets total $6,892,839.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING DECEMBER 5

Banks—	Div. Rate	High	Low	Close	Close Nov. 27	Sales	Range High	1923 Low
Commerce	12+1	184½	182	184½	182	156	201	182
Dominion	12	186½	186	186	185½	38	203	184½
Hamilton	12	181	180	181	182	70	190	147
Imperial	12+1	179	175	179	174	87	194	167¼
Molsons	12	158⅜	157	158	157½	92	177	154½
Montreal	12+2	240	238	240	239¾	117	248½	225½
Nova Scotia	16	254	253	253	254	55	266½	251
Royal	12+2	212	211	211	211	211	223	208
Standard	12	165½	165	165½	165	27	212½	165
Union	8	106½	105	105	106	322	141	105
Paper—								
Abitibi, com.	4	64¼	62	62	61¾	5250	74	56½
Brompton Pulp		43	41	41½	40¾	2975	44	35
Laurentide	6	94	91½	92	91½	2395	103½	85
Price Bros	2	40¼	40	40	41½	115	47	40
Smith, Howard, com.	6	67	67	67	67	70	83¼	61½
Do, pref.	8	98½	98½	98½	99	3	108	97
Spanish River, com.	7	103	96½	100¾	97	15914	103	82
Do, pref.	7	106½	103	106	103	8319	108	94
St. Maurice Paper	6	109	105	109	104	2275	114½	88½
Wayagamack		39	37	37	39½	190	60	32
Steel and Steel Industries—								
B. E. Steel, com.		5	4½	4¾	4¾	155	10	4
Do, 1st pref.	7	57¼	57	57	57	953	73	55
Do, 2nd pref.		14½	13¾	14½	15	543	26½	12¼
Can. Car & Foundry, com.		29¾	27¼	29⅝	28	855	35	20
Do, pref.	3½	78½	76½	78½	77½	1295	79	67¾
Can. Foundries, com.		24	23⅞	23⅞	24½	50	35	23⅞
Can. Locomotive	7	86	85	85	86	65	98	85
Dominion Bridge	4	60	56	60	56	498	78¼	55
Dominion Iron, pref.	7	60	57	59	60	55	80½	55
Dom. Steel Corp. pref.	6	71½	71	71½	71	35	82⅝	70
Ontario Steel, com.	4	42	42	42	42	15	47	39¾
Do, pref.	7	85	85	85	85	50	90¼	83¾
Steel of Canada, com.	7	74½	71⅞	72	72	3058	79	60¾
Do, pref.	7	100	99¾	100	100	75	103½	95
Milling—								
Canada Bread, com.		65	65	65	65¾	50	66¼	52
Do, pref.	7	94½	94¼	94½	94½	65	95	90
Maple Leaf, com.		82	80	82	82	105	102	64
Ogilvie, com.	12+10	307	307	307	305	26	333	270
Do, pref.	7	117	116	116	117	40	120	114½
St. Law. Flour, com.	6	66	65	65½	65	180	80¾	49½
Utilities—								
Bell Telephone	8	125	124	125	124	509	126½	112
Consumers Gas	10	160½	160	160	160½	113	163½	150½
Kaministiquia	8	116	116	116	116	25	125	103
Mackay, com.	7	112	111½	111½	112	278	124	105
Do, pref.	4	67½	66¾	67	67½	61	72½	66
Montreal L. H. & Pr. Cons	6	135	129½	135	129⅛	7392	135	103¾
Montreal Telegraph	8	52¼	52¼	52¼	52	15	53	46
Ottawa L. Pr.	6	81	81	81	82	10	92½	79½
Quebec Power, com.		64	63½	63½	64	99	70	63½
Shawinigan	7	120¼	116	120¼	116¾	2049	121½	112
Transportation—								
Canadian Pacific Rly.	10	150⅜	147½	148	149½	202	162½	142
Can. Steamships, com.		12½	12	12½	11	150	19	9¾
Do, pref.		43¼	41¾	42	43	217	56¾	40
Tractions—								
Barcelona		16½	16	16½	16½	152	22	12½
Brazilian	4	40½	38⅛	40½	38½	4885	53	35½
Detroit Un. Rly.	6	61¾	60	60	61	767	79½	56
Duluth Superior		39	38½	38½	39¾	80	44	28½
Illinois, com.	50c	59¾	59	59¾	60	125	63	35
Do, pref.	6	89	87	89	89	27	92½	77¾
Toronto Railway		85¼	82¾	83½	81¼	859	93	73¾
Twin City, com.	6	71	70¼	70¾	70⅜	706	80	58
Do, pref.	7	98½	98	98	99	93	106	97⅞
Winnipeg Elec. com.		29¾	29	29¾	29	110	42½	27
Do, pref.	7	84¾	80½	84	84½	116	87¼	80
Textiles—								
Can. Conn. Cotton, pref.	8	83½	80	83½	81¼	364	85	80
Can. Converters	7	82	81	81	81	216	103	79
Can. Cottons, com.	8	101	98	98½	101	330	135¾	100
Can. Woollens, com.		6	6	6	8½	5	20	5
Dom. Textile, com.	4	64	63	63¼	63	311	72	61½
Montreal Cotton, pref.	7	106	104¾	104¾	106¼	20	110	105
Penmans, com.	8	147	145	147	145	240	1765½	127¾
Wabasso Cotton	4	65	65	65	66	5	81⅛	65
General Industrials—								
Amer. Salesbook com.	4	43	43	43	43	30	43	34
Do, pref.	7	90	90	90	91	10	93	86⅞
Asbestos, com.	4	35	25	35	27	101	72½	25
Do, pref.	6	62	62	62	62	25	91	57
Bird & Son. pref.	7	90	90	90	90	15	95	89
B. C. Fishing		19½	14½	18½	14	229	24	12
Burt, F. N. com.	10	131	131	131	132	45	140¼	123½
Canada Cement, com.	6	86¾	86	86¾	87	999	88¼	77
Do, pref.	7	103½	102½	103½	103	236	105½	100
Can. General Electric, com.	6	113¼	112¼	113	112½	854	113	80
Do, pref.	7	112¼	112¼	112¼	112	30	112½	101
Canadian Salt	8	111	111	111	111	30	112	100
City Dairy, com.	10	175	155⅝	159	155	624	159	135
Crows Nest Coal	6	45	45	45	49	2	52	45
Cuban Can. Sugar, pref.		34	34	34	35	75	47	25
Dom. Canners, com.		25	24½	25	24½	78	35	24½
Dominion Glass, com.	7	105	101	103	101	1851	103¼	89
Eastern Theatres, com.		11	11	11	10¾	120	11½	9
Do, pref.	7	69½	69	69	69	40	70¾	69
Goodyear Tire, pref.	7	77	77	77	77	15	96	71
Intercol. Coal, com.	8	80	80	80	85	3	85	75
Lyall Construction		14	14	14	15	20	47	10
National Breweries, com.	4	54	52¾	54	52½	1831	55¼	46
Do, pref.	7	95¾	95¾	95¾	95½	10	98	90
Pacific Burt, com.	6	99½	99	99	99½	40	107	92
Port Hope Sanitary, com.		48	48	48	48	30	57	45
Russell Motor, com.		17½	17½	17½	17	100	36	17
Do, pref.	7	48	48	48	48	10	75	47¾
Sherwin Williams, com.	6	107	107	107	107	25	123	91
Sterling Coal	4	45	44½	44½	44	40	45½	39
Tuckett Tobacco, com.	4	50	50	50	45	140	60	45
Do, pref.	7	89	89	89	87½	12	96	87½
Woods Manfg. com.		35½	35½	35½	44	10	80	35½
Trust and Loan—								
Canada Landed	10	86¾	85	85	87	19	87	73
Canada Permanent	12	186	184	184	186¼	80	194	183
National Trust	12	215	215	215	210	6	215	197
Toronto Gen. Trusts	12	205	205	205	204	2	208	202
Toronto Mortgage	10	81	81	81	79	11	83	78
Union Trust	7	96	96	96	96	20	98	92

UNLISTED SECURITIES

	Bid	Ask
Alta. Pac. Grain 7 p.c. pfd	86	90
Do., com.	98	101
British American Assur.	6.00	7.00
Can. Assoc. Goldfields	8	11
Canada Mortgage	65	..
Can. Westinghouse 8 p.c.	134	..
Continental Life	22	..
Commercial Finance pfd. 25 p c. bonus com.	60	..
Canada Machinery, pfd.	..	37
Canadian Marconi Wireless	1.10	1.40
Cockshutt Plow 7 p.c. pfd	42½	44
Canadian Oil Co., pfd.	85	92
Do. com.	38	43
Collingwood Shpbld. com	55	65
Cosgrave Breweries	5	5¾
Dom. Power & Trans., pfd.	96	99
Do. com.	37	40
Dunlop Tire 7 p.c. pfd	83	..
Durant Motors of Canada	5¼	6
Dominion Mfg. pfd.	52	57
Dominion Linens, pfd.	50	60
Do., com.	5	..
Dom. Sewer Pipe, com.	24	30
English Electric, pfd.	46	49
Do., com.	7	11
Excelsior Life	31½	..
Farmers Dairy	51	..
Famous Players, 7 p.c. pfd	61	63
Gunns, Limited, 6 p.c. pfd	26	29
Great West Life	220	..
Imperial Tobacco, com.	5	7
Inter Milling Co., pfd.	93	96
K. & S. Tire, 7 p.c. pfd	26	30
La Paz Oil	..	25c
Lambton Golf Club	425	475
Loew's Toronto, pfd.	61	65
Do., com.	31	34
Loew's London, pfd.	5.00	6.00
Do., com.	1.50	2.25
Loew's Buffalo, pfd.	46	52
Do., com.	1.00	1.50
London Loan & Savings	..	49
Manufacturers' Life 20 p. c. p.	55	..
N. Mexico Power & Dev., c.	9	10
National Brick, pfd.	50	53
Do., com.	12	15
National Life $25 paid	50.25	54
N. Can. Power com.	39	44
Ont. Equit. Life	17	25
Peoples Loan & Sav. Co.	60	..
Pantages, Hamilton 7 p.c. pfd	33	..
Do., com.	1	2
Robertson P. L. Co.	15	25
Rolph Clark Stone, com.	15	..
Simpson, Robt. 6 p .c. pfd	87	90
Sovereign Life	..	bid
Sun Life Assurance	140	..
Trust & Guarantee	70	74
Tiger Tire (1 pfd., 2 com.)	..	20
Western Grocers, 7 p.c. pfd	36	33
Sterling Bank	89	91
Imperial Oil		
Toronto Brick, pfd.	75	..
Western Assurance	6.75	7.50
Hayden Gold Mines	20	30

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The Buying of Pig Iron Has Continued Brisk

While the majority of iron consumers covered for their present and first quarter needs at the recent low market level, buying in pig iron continued brisk over the last week, according to Canadian Machinery. The new strength attained by the market was evidenced by an advance of $1 on all grades. This placed the Montreal price on No. 1 iron at $31.05, and the Toronto quotation is $30.55. The majority of large users have covered for their needs and a considerable slackening in buying is looked for, as small users continue to purchase from hand to mouth. Late sales from Canadian furnaces are said to aggregate 60,000 to 70,000 tons.

Only a few hundred tons of iron, a meagre quantity compared with shipments of past seasons, have been imported from Great Britain and the season for navigation is now closed.

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Argonaut
Castle
Crown Reserve
Dome Mines
Goldale
Vipond Cons.

THE present position of all the above Northern Ontario mining companies, and numerous others, is outlined in the current issue of

Gibson's Fortnightly Mining Review

This little publication, which is mailed free twice monthly, is certain to be of value to every holder or prospective buyer of mining shares.

If your name is not now on our mailing list, write for your copy and our free maps of Porcupine and Kirkland Lake today.

Homer L. Gibson
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TORONTO.

MINING NEWS FOR THE INVESTOR

GOLD PRODUCTION OF ONTARIO MOVES UP $4,000 DAILY

Vipond and Night Hawk Mines Join the Yellow Metal Producers

Vipond and Night Hawk mines started their mills during the past week. The former is treating ore. The latter is crushing it and running tests. The solutions will be turned in by the end of the week.

Vipond will add 150 tons of $10 or better ore to the daily production of Northern Ontario. Night Hawk will add 200 tons of $12 ore. The immediate production of these two mines will add to Ontario's gold output $4,000 a day, or at the rate of $1,250,000 yearly.

Vipond is heavily held in London. Night Hawk is controlled in Pittsburgh, Pa.

Both mines are well equipped with machinery and have ore for a couple of years' mill run broken ready for the mill. Each company already has plans for enlarging the output if developments continue as successful as at present.

Pre-Cambrian Area to Be the Chief Topic

"The Pre-Cambrian mineral area" is to be the chief topic for discussion at the British Empire Mining Congress in connection with the British Empire Exhibition in London next June.

When the program committee got to work it was faced with the question of deciding what point was to be given pre-eminence in the discussion the Pre-Cambrian area, or the commercial side of the industry. The former was favored.

Canada has 2,000 miles of the Pre-Cambrian area.

Option on Gold Island Group is Abandoned

Night Hawk Mines have relinquished control on the Gold Island group of claims, ten in number. These claims adjoin the Night Hawk on the north. President Jas. R. Dodworth, in a letter to the shareholders, states that after a careful and extensive campaign of diamond drilling on this group, and on the advice of A. R. Globe, manager, it was decided that values, so far discovered, would not constitute a commercial property.

Diamond drilling on the Night Hawk group determined that the ore zone does not extend into the Gold Island property. This leaves the Night Hawk, with claims totalling 800 acres extending for two miles on the general strike of the ore body. Ore has been traced for a length of one mile

Mine Shares in Strong Hands; Few are Selling

The mining market has retained most of the strength it so suddenly displayed last week. There have been moments of weakness, with only fair trading. The feeling is that the show of strength is not permanent and that a holiday sag is to be expected. Others contend that the market has already discounted the Christmas lull, and that buying orders are starting to appear.

There does not seem to be much stock offering. This indicates that it is in strong hands and tends to support those who expect little Christmas selling. There have been a number of advances during the week where any buying developed. McIntyre was the leader in this regard moving up over $1 to $18. This was on reports of an increase in earnings during the past quarter on a basis equal to 50 per cent. annually on the issued capital. Undoubtedly, the expected announcement in regard to McIntyre's expansion program will soon be forthcoming. Dome has been consistently strong, practically ever since the stock was split. Those who favored the split said the lowering of the price of the stock would bring in a wider public participation. Trading in the stock has been quite substantial.

The other leading golds have been mostly stationary. Lake Shore is down a few points, Wright-Hargreave up a few. Tough-Oakes, Burnside receded 1½ from a high of 72 Teck-Hughes was weaker. Vipond which started its mill during the week, dropped three. Hollinger was unchanged. Crown Reserve reacted a little.

In the silvers, Nipissing and Coniagas, two old-timers, showed an advance. There is a feeling abroad that better times are coming for the silver producers. Nothing tangible is in sight, however. Other silvers were slightly reactionary.

MUCH ORE IN SIGHT

Tough Oakes Burnside are making a careful estimate of the value of the ore in sight with a view to deciding on mill reserves. So far around $3,000,000 in ore is in sight with promise of a large concentration of values in adjoining sections.

FIND ON WEST DOME

High grade ore over a width of six feet has been opened up on the 500-ft. level of Consolidated West Dome.

BOUNTY NOT OPPOSED

Hon. Jas. Lyons, minister of lands and forests for Ontario, told the Soo Board of Trade that no opposition to the proposed bounty on iron ore has been encountered as yet.

NIPISSING IN ROUYN

Nipissing will push ahead a vigorous development and exploration of the Powell claims in Rouyn township, Quebec. Chadborne-Thompson interests are holders of a one-third option on the claims. Nipissing two-thirds.

Speculative Funds of England Look to The Post for Advice

Speculative funds in England are turning more and more to Canadian mining enterprise. At the present time there are a half dozen distinctly English groups operating fully a dozen different ventures in Northern Ontario. There are two or three in Northern British Columbia. THE FINANCIAL POST has been in touch with two or three groups, helping them in their efforts to pick out mining ventures of merit.

Just recently the following letter was received from London by the Mining Editor:

"I see from THE FINANCIAL POST that you are now making a trip to the mining fields again.

"Since my return to this country I have been fortunate in making several very influential connections, who are particularly interested in gold and silver propositions, and, as you are always in touch with good schemes which require additional capital, we shall be pleased to get in touch with you from time to time.

"It is possible that I shall be in Toronto in the near future, when I hope to have the pleasure of meeting you again."

The writer of the above letter is a Canadian of very high standing, representing a company of equal standing. He is doing, and has been doing, a notable work in bringing capital to the Dominion, and has now turned his attention to securing capital for Canada's mining areas.

Established 1904

THE SEAL OF SERVICE AND SATISFACTION

An Analysis
OF THE
Mining Market

WITH a general broadening tendency in the mining market there are certain issues which appear to offer unusual profit-making possibilities.

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Coniagas and Hollinger are Active in Rouyn

A large amount of new staking is going on in Rouyn Tp., Quebec. Many prospectors have resumed the hunt for finds, following the activity of the large mining companies in the field. Coniagas, which looked over some claims and then dropped them, is reported to have taken up the Bob Gamble group near Pelletier Lake. The Northern Miner says that Hollinger is looking at the Spry holding.

MURRAY-MOGRIDGE DISPUTE

Tonopah Mining Co. of Nevada recently took over Murray-Mogridge mine English interests now claim that they have an option and that no one had a right to give the Tonopah option. Court action is said to threaten.

DOME IN NOVEMBER

Dome's November production was $381,540; October was $390,000; September $393,000 and August $425,000. Lower grade ore is being handled and reports from the north are that an even lower grading to absorb low grade ore, is to be expected.

MR. MILES NEW ACTIVITIES

A. D. Miles, of Anglo-Canadian Explorers, John Taylor and Sons Canadian Co., has purchased a claim in Gillies. The same concern has given a contract for shaft sinking on Kirkland Townsite on which favorable results were recently achieved in diamond drilling.

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Mining & Investment Securities
Correspondence Invited

SPEEDING UP WORK AT CROWN RESERVE

Additional Power Now Makes Broader Operation Possible at Larder Lake

From Our Own Correspondent.

MONTREAL.—Where all the weird stories about Crown Reserve come from is a mystery to those in close touch with the company's affairs. Their origin is the more mysterious in that the company's directors have never pursued a policy of silence, but answer all questions about operations and reveal their plans whenever definite decisions have been reached.

Crown Reserve, which has been buying power from Associated Goldfields has suffered from a shortage of energy, and has had only a small amount of equipment at work. The 550-foot level has been reached, but no work has been done there. An oil engine has been installed, and with this added power, full scale development work will be continued. Results have been promising particularly at the 175 and 425-foot levels.

Recently, 50,000 shares of stock were sold to shareholders. This gave plenty of operating capital until plans have been decided upon regarding a mill, when further stock will be offered the shareholders. The mill will likely be 500 tons, with provision for 500 additional if found advisable. Directors are waiting development results before deciding finally.

Nothing is being done on the Porcupine Crown. Steps may be taken shortly to develop this propetry. Crown Reserve, at Cobalt, is almost idle, A few men are picking over the dumps.

Force Treasury to Buy All Pittman Act Silver

Silver producers of America are to meet at Salt Lake City in January. Plans to organize an export body in hopes of controlling the world's silver market will be suggested.

Mandamus proceedings to force U. S. treasury to buy the uncompleted portion of $1 silver under the provisions of the Pittman Act, amounting to a little less than 8,500,000 ounces, will be started shortly. Certain interests claim that the total in question is about 12,000,000 ounces.

Undelivered silver against tenders and under the Pittman Act amounted to more than 5,000,000 ozs. at the beginning of November. This refers to $1 silver accepted by the government on tenders and for future delivery.

Silver prices continue to reflect firmness, based largely upon large demand from China.

Canadian gold and silver exports for 12 months ending October show an increase over the same period a year ago. The figures for October with comparative totals follow:

Class—destination	Quantity Oz.	Value $
Gold:—		
To United States	....	142,040
China	....	40
Total October, 1923	....	142,080
September, 1923	....	339,557
October, 1922	....	389,320
12 m. ended Oct. 1923	....	10,196,378
12 m. " " 1922	....	3,779,365
Silver, ore, concentrates:—		
To United States	228,051	142,720
Total, October, 1923	228,051	142,720
September, 1923	602,575	375,526
October, 1922	915,193	601,858
12 m. ended Oct. 1923	5,725,368	3,688,027
12 m. ended Oct. 1922	5,751,770	3,810,089
Silver Bullion:—		
To United Kingdom	234,422	153,646
United States	192,797	123,061
Hong Kong	270,795	173,966
China	101,044	64,857
Total, October, 1923	799,058	515,530
September, 1923	939,233	596,177
October, 1922	1,319,986	909,209
12 m. ended Oct. 1923	12,073,786	7,882,021
12 m. ended Oct. 1922	10,474,678	7,163,699

SILVER AND OTHER METALS

December	1	3	4	5
Silver—				
London (Pence)	33¼	33⅜	33¼	33¼
New York	64⅜	64⅜	64⅛	64⅛
Copper—	13½	13¼	13¼	13½
Zinc—	47.25	47.25	47.15	47.12
Lead—	7.25	7.25	7.15	7.00
Tin—	6.35	6.37	6.35	6.35

P.A.P. FP

Mining Stock Quotations

Week Ending December 4.

	High	Low	Close	Close Nov. 27
Apex	2½	2⅜	2⅜	2¼
Atlas	4¾	4¼	4½	4½
Argonaut	64	61	61½	64½
Baldwin	6¼	5½	5¾	6½
Beatty	7⅛	6⅞	6⅞	7
Beaver	26	25	25	25¾
Bidgood	7⅞	7¼	7⅜	7⅝
Beatty rts.	4⅝	4⅜	4½	4½
Buckingham	5	4	4	4
Castle T.	42	39¾	41½	40
Chaput H.	4½	4½	4½	4½
Coniagas	2.25	2.05	2.25	2.10
Cons. Smelters	28	27¼	28	27¼
Cons. W. D.	27	25¼	26½	25¼
Clifton	12	11	11	11¾
Col. Kirkland	10	8	10	8¾
Cr. Reserve	71	67½	68	68
Dome Mines	20.25	19.60	20.00	19.75
Dome Kirk.	1⅛	1⅛	1⅛	1¼
Indian Mines	80	76	80	76
Gold Reef	1¾	1¾	1¾	1¾
Goldale	52	49	49	51
Hattie	12½	11¼	11½	11½
Hollinger	11.55	11.35	11.50	11.45
Hunton	7¾	7¾	7¾	8
Keora	9	8	8½	7¾
Keeley	1.88	1.85	1.85	1.82
Lebel Oro	30	29¾	30	29½
Kirk. Lake	31¾	29	31	31½
La Rose	21	20	21	20
Lake Shore	3.50	3.43	3.44	3.52
Lorrain	15½	14	14	15
Montreal. Ont.	23	20	23	20
Lorrain T.	1.13	1.13	1.13	1.14
McIntyre	18.10	16.75	18.10	17.05
McKinley	14½	13	13½	15
Mining Corp.	3.10	3.00	3.05	3.00
Moneta	18¼	18	18	18¼
Newray	43½	41	41	43½
Nipissing	6.55	6.10	6.50	6.15
Ophir	3½	2¼	3	2½
Pete. Lake	11¾	11	11¼	11⅝
Porc. Crown	8¾	7½	8½	7½
Preston	12⅞	12½	12¾	12¾
Teck Hughes	1.22	1.15	1.16	1.22
Timiskaming	33½	32½	32½	35
Thomp. Krist	4⅞	4½	4⅞	4½
Vickers	32½	31¼	32¼	31
Vipond Cons.	94½	91½	91½	92½
Tough Oakes	72	69	70½	69½
West Tree	6	5½	6	6⅛
Wettlaufer	15	13½	14	15
Wright Har.	3.10	3.10	3.10	3.00
New York Prices				
Inter. Nickel, com.	12	11¼	11⅝	12¼

"Timely Talks on Mining"

By

Irving J. Isbell

TALK NUMBER FIFTEEN

I have often been asked that if gold mining is so profitable why are the men who make the discoveries willing to share the profits with public investors? Or, in other words, why we don't have one-man mines instead of large companies where the profits have to be split up between hundreds or usually thousands of shareholders, so I am going to tell of an incident which will answer this natural question.

Not long ago, I was compelled to spend a night in a small town whose only offer of entertainment was the familiar "movie" theatre. I must confess that I am not a rabid devotee of the silver screen, but time hung heavy and I chose the promised thrills of the screen in preference to the dulness of an evening at the hotel.

The picture was one with which every reader is familiar. The handsome hero saves the pretty daughter of an old crippled prospector from "Death—or Worse" (so the caption assured us), at the hands of the villain; and as his just reward has bestowed upon him the undying devotion of the rescued daughter and in addition a precious chart showing the location of a rich gold mine. The fortunate youth, of course, succeeds in finding the mine, in spite of the revengeful villain's machinations, and having made his fortune thereby (a la caption) throws up his hat and—well, you all know what follows on to the sentimental fade-out.

The picture was all right and seemed to satisfy those present—but I wondered to myself on the way back to the hotel if the scenario writer, or the director, or whoever was responsible for the picture, had ever seen a gold mine.

Possibly I am of too practical a turn of mind—or else I didn't catch the spirit of the piece. Anyway, having seen a few mines in my day, I could not help thinking that if fortunes were made so easy, why we all couldn't own a gold mine?

Poetic license may permit of the passing over of that period of development between the discovery of a mine and the time when it is fully equipped and turning out gold bricks, with a few clicks of the projection machine, but in reality any one who knows anything at all about mining will agree with me that the discovery of a mine is just the beginning. The time, money, and effort required to bring a mine to a profitable stage is immensely greater than that entailed in its discovery.

I know that the popular conception of the matter, fostered by such "movies" as the one above, is that the discovery of gold is the crowning act in the drama, and the recovery of the metal a mere incidental not worthy of even a few feet of film.

But old Mother Nature does not work that way. She has been pretty lavish in the bestowal of riches, especially so far as Canada is concerned, but man's work begins where Nature leaves off and it is his job to get the metal out at a profit. This means a combination of time, money, brains, and work.

It is for this reason that we have so few, if any, one-man mines. The amount of money required is much too great a load for one man or even a small group of men. Hence we have the modern stock company and instead of one or a few men carrying the whole load, it is spread over a few hundred or thousands as the case may be.

In conclusion, I think that too little emphasis is placed on the efforts of the men whose business it is to take gold discoveries and make them into mines. I mean the men who raise the money necessary to carry on development, the men who do the work, and the men whose ability and experience direct the whole operation so that when the gold is wrested from the solid rock, it is worth more than it costs to take out—in other words, creates new wealth for the country, and provides dividends for shareholders.

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Sixteen" will appear in the issue of December 14th. We suggest that you have your name placed on our mailing list to receive a copy of "Timely Talks On Mining" each week without any charge or obligation of any kind.
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MONTREAL CITY & DISTRICT

At a meeting of the Board of Directors of the Montreal City & District Savings Bank, His Honor, Honorable Louis Philippe Brodeur and Mr. H. J. Trihey, K.C., were elected directors of the Bank to fill the vacancies on the Board which is now composed as follows:—Honorable R. Dandurand, president, the Right Honorable C. J. Doherty, vice-president, Honorable Sir Lomer Gouin, D. A. Hingston, M.D., F. W. Molson, H. H. Judah, Zephirin Hebert, A. J. Brown, K.C., Honorable Louis Philippe Brodeur, H. J. Trihey, K.C.

This is the third time in its existence that the C. & D. has the honor of having the Lieutenant-Governor of Quebec as one of its directors.

SERVICE REMEMBERED

Some Northern Ontario men were recalling that just about one year ago occurred the Haileybury fire, and then one referred to the initiative and service to the community given by George A. Bagshaw, the Haileybury manager of the Union Bank.

The morning after the fire, Mr. Bagshaw, whose bank was entirely destroyed, laid a board across the doorway of a small garage, borrowed some money from a nearby branch of the Imperial Bank and proceeded to give accommodation to the people of Haileybury. Mr. Bagshaw's long acquaintance with the district enabled him to know fairly accurately the position of those presenting cheques. Whether they were customers of his bank in the past or not he accorded them banking service. The money handed across that board at the door of the small garage made an exceedingly trying situation a little less trying for many. Evidently the accommodation is gratefully remembered to-day.

NEWS OF THE BANKS AND BANKING

DETAILED BRANCH INSPECTION NOT ADVISABLE IN VIEW OF EXPERIENCE WITH SYSTEM IN THE UNITED STATES

Head Office Supervision Would Better Meet Situation—After All the Public Must Largely Depend Upon the Integrity of Bankers as Individuals

ARTICLE VI.

This is the last article of THE FINANCIAL POST'S series on the bank inspection system of the United States in its application to the situation in Canada. The conclusions drawn would agree with President Howland of the Imperial Bank and Assistant General Manager MacKimmie of the Royal Bank, that some measure of bank inspection or supervision by the government would be in the interest of the banks themselves on the ground that any evils entailed would be more than compensated in the restoration of public confidence. In the last analysis, banking in Canada and banking in the United States is very largely based upon the integrity of the bankers, however, and the need for reasonable public discrimination cannot be entirely removed by government inspection.—Editor.

(1) In the light of American experience with various government bank inspection systems, would you suggest the adoption of some such system in Canada?

(2) If you would, how, in your opinion, could an adaptation of the American system be used?

These two questions the writer put to about a dozen professional bank auditors with experience in both Canada and the United States. Three of them were employees of the two largest auditing organizations in the United States specializing in the auditing of banks and trust companies. Four of them had had auditing experience in Canada. One of them had audited one of the three largest banks in Canada. Three others had even wider bank auditing experience, having done work of this kind in France, Germany and South America. Two of them were Canadians who at one time or another had been employees of big Canadian auditing organizations.

Professional bank auditors were chosen as targets for these two questions, because the writer found early in his investigation of the whole bank inspection question that even the best informed of the New York bankers were not able to speak with any degee of authority regarding the success of government bank inspection in all parts of the country. Even the most experienced of them knew of conditions existing in only two or three different states.

The professional bank auditors, however, it was found, were not only better informed regarding conditions in all parts of the United States, but discussed the whole question of bank inspection more freely and took on the whole a more disinterested view of the matter.

Should Go Carefully

Summarized, the answers the best informed bank auditors gave the writer may be stated as follows, so far as the question regarding the advisability of Canada adopting a system of bank inspection is concerned:

In view of Canada's recent banking troubles, it would probably be advisable for the Dominion to adopt some system of government supervision. But, in the light of American experience, the adoption should be decided only after a most careful appraisal of the shortcomings of the system as developed in the United States.

The most obvious of the difficulties of introducing any system of government bank inspection, modelled along the lines of the American system, into Canada, according to local bank auditors, would spring from the fact that Canada has only a few banks with thousands of branches. American experience with branch bank systems has shown in the clearest possible manner that branch inspection by government agents is worse than useless unless inspections are conducted simultaneously at all the branches of each bank inspected. Draft or checks can be kited between one branch and another unless the inspections are conducted simultaneously.

Branch Audit Too Costly

As most of the auditors pointed out to the writer, the task of inspecting, say, five hundred branches of a Canadian bank in this way would be quite out of the question from the point of view of the Canadian taxpayer, even if it could be effected in some way or other.

While one auditor, a Canadian, suggested that inspections on the part of government examiners could be conducted from the points throughout Canada and the West Indies, now used by the larger Canadian banks as divisional headquarters, another pointed out that the maintenance of such divisional headquarters would be extremely expensive, as large numbers of highly-paid inspectors would have to be maintained at these points the year round, while their services might only be required once or twice a year.

It was pointed out by another auditor, a Westerner, that the banking commissioner of the State of California had been experiencing some difficulty during the past year or so in conducting his regular inspections on account of the rapid development of the branch banking system in that state. These difficulties would be duplicated in Canada, this man believed, if the Dominion were to try to adopt the American government bank-inspection system.

Canada's Own Problem

The answers to the second question were largely negative; it appeared to be more or less generally felt that in view of the radical difference in the American and Canadian banking systems, Canada could derive little except general conclusions regarding the efficacy of governmnt bank inspection, from a study of the American system. If Canada should decide to adopt some system of government bank inspection, it would have to be a system carefully designed to meet the peculiar requirements of the Canadian system of banking; no makeshift based upon the American system of inspection would do.

As to what this Canadian system of bank inspection by government officials should be, few of the bank auditors consulted, except the Canadians, appeared prepared to hazard a suggestion. Most of them felt that their knowledge of the Canadian banking system was too slight to warrant any detailed suggestions on their part.

The two Canadian auditors consulted felt, however, that an economical and effective system of government supervision could be devised which would necessitate the appointment of very few officials. This would be some system which would enable the minister of finance to appoint a few skilled men with wide banking experience to conduct inspections of the various Canadian banks, not in the smaller branches throughout the Dominion, but only in the various head offices and larger offices in the main Canadian centers. Such a system, while far from ideal, from an auditing point of view, appeared to be the only kind that would be feasible under Canadian conditions.

It would be relatively cheap, and would at least enable the government to supervise rather closely the granting of large loans.

"But it must be remembered," one Canadian auditor pointed out, "in the final analysis, that the public must rely to a great extent upon the character of its bankers for its protection in its dealings with the banks. Further, the bank officials themselves have to rely upon the honesty of their employees in conducting the banks. It appears to be a case of faith all around. Most of the trouble banks in the United States have to-day is due to the dishonesty of bank officers and employees. This is something it is very difficult to eliminate by means of inspections and legislation.

"This being the case, it would appear to me that there is less need for close inspection of banks in Canada than there is here. Unfortunately, in the United States, banking is not professionalized to the extent that it is in Canada. All in all it is a question whether the average banker in the United States is as high calibre a man as the average Canadian. I am inclined to think that he is not."

Bank Clerks Are Not Friendly to Union Idea

Efforts for the formation of a bank clerks' union in New York recently took an aggressive turn when young women with white sashes handed out circulars to the bank employees as they emerged for luncheon. According to the statisticians, they handed out about 15,000 circulars. The Bankers' Home Magazine points out, however, that bank executives are not taking the matter very seriously. The opinion is expressed that the average bank clerk develops a class consciousness which is distinctly inhospitable to the union idea.

Staff Gossip.

Mr. Price, of Chesterville, succeeds R. Elliott as manager of the local branch of the Molsons Bank.—The Expositor, Brantford.

* * *

Lewis P. Bishop, inspector of the Canadian Bank of Commerce, who has been stationed in this city for the last year, has left for Toronto where he expects to remain.—The Record, Sherbrooke.

* * *

F. C. Smyth has been appointed manager of the local branch of the Bank of Montreal, in succession to W. S. Chisholm, who was recently transferred to the managership of the branch at Deseronto. Mr. Smyth has been in banking service in Canada for many years and he served in a number of branches of the former Merchants Bank of Canada. For some time past he has been in the Superintendent's office of the Bank of Montreal at Toronto.—The Recorder, Gore Bay.

* * *

J. E. Leslie, who for the past four years has been manager of the Enderby branch of the Bank of Montreal, has just been appointed manager of the branch at Chilliwack, in succession to Mr. Nesbitt who has been promoted to the managership of the Bank of Montreal at Vernon. Mr. Leslie is not a stranger to Chilliwack, as he came here as accountant in March, 1913, and also acted as manager of the branch for three months during Mr. Duthrie's absence.—The Progress, Chilliwack.

* * *

"Contrary to the claims made by Calgary and other cities of the province, Lethbridge is the home of the first branch bank in Alberta, and that bank is the Union Bank of Canada," said W. M. Chandler, of Calgary, superintendent of Alberta branches of the Union Bank, in an interview recently.

Mr. Chandler, who visited the city, made this point very clear in answer to a question as to the pioneer bank in the province. The company now have some 400 branches in Canada and 68 in the province of Alberta.—The Herald, Lethbridge.

HOW MUCH FOR MARKS?

From Our Own Correspondent.

MONTREAL.—A street hawker stood in front of a Montreal photo store this week selling 1,000,000 mark German notes for ten cents. The photo store posted in the window a postcard received from Germany and which stamps to a value of 24,000,000 marks had been pasted. "It took 24,000,000 marks to pay 5 cents postage," said a sign beside the card. "Did you buy 1,000,000 marks for 10 cents? You should have gotten 48,000,000 marks for that much."

But even the photo store overestimated the "value" of the mark. According to the only nominal quotation one can get in New York, 500,000,000,000 German marks can be purchased there for ten cents. And as for any value the mark now has even that is too high.

The hawker, it may be said, did a good business on the street, even though his price was 500,000 times too high.

EVEN EASIER MONEY LOOKED FOR IN U.S.

Importation of Gold Continues Heavy and Business Has Not Expanded as Hoped

From Our Own Correspondent.

NEW YORK.—Even "easier money" than exists at present, is looked for by local money brokers, after the close of the year. Reports from Washington indicate that the Federal Reserve banks are finding it difficult to employ their surplus funds profitably even now and that when the relative business activity of the holiday season is past, this difficulty will probably be more rather than less marked. For while the volume of credit outstanding is to-day as large as it was in 1919-20, only a small part of this is being carried by the Reserve system. The commercial banks are, there is ample evidence to show, carrying the burden themselves. And it is interesting to note, despite this fact they are entering the security market to a greater extent than they were three months ago.

At the bottom of this situation, apparently lies the two facts, that the importation of gold has continued at a heavy rate and that business activity has not continued to increase as rapidly as was expected early in the present year. Gold continues to flow into this country at the rate of about a million dollars a day and the volume of available credit is thus increasing more rapidly than the demand for it on the part of business.

Royal Bank Gives Record of Directors' Attendance

From Our Own Correspondent.

MONTREAL.—Evidences of the working of the new Bank Act are cropping up every few days, and the latest is a circular from the Royal Bank of Canada to its shareholders advising them of the number of meetings of the board attended by each director during the year just closed.

The Royal Bank's circular goes further than required by the Act, for it details a number of explanations of why some of the directors could not have been expected to attend a larger number of meetings than they did attend, and it also tells the number of meetings attended by members of the bank's local committees.

The Molsons Bank has closed its branch at Walter's Falls. This branch has been in operation several years.

Exchange

Regarding the recent fluctuations in the £ sterling, Samuel Montaug & Co., London, say:

About the middle of October the £ sterling had been fluctuating between 4.54 and 4.55 when a canard appeared in the press which gave rise to the idea that the British Government was about to create £100,000,000 of new money in order to stimulate industry and to reduce unemployment. This absurd rumour has since been contradicted most emphatically and unequivocally by the prime minister. However, a lie once started is hard to overtake and it requires time to repair the mischief and to completely set at rest the fear that Great Britain contemplated embarking on a policy of inflation. The second factor which has contributed in a great measure to the decline of the £ sterling is the knowledge that should the Labor Party succeed to office, their avowed policy is to impose some sort of levy on capital. As the imminence of a general election drew nearer, the fear that the Labor Party might possibly gain a majority caused capital to become nervous with the result that balances have been transferred to America, British investments have been sold and the proceeds re-invested in American securities. We see the same developments here that occured in Switzerland last year when the possibility even of such a measure becoming law drove hundreds of millions out of the country and threatened ruin to the national finances.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Nov. 29 ..	2 3-16	2	1-32	1-64
Nov. 30 ..	2 3-16	2 3-32	...	...
Dec. 2 ..	2 1-8	2 3-32	3-64	1-32
Dec. 3 ..	2 1-8	2 3-32	1-32	1-64
Dec. 4 ..	2 5-32	2 1-8	1-32	x1-32
Dec. 5 ..	2 1-8	2 3-32	1-64	par

x Discount.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Nov. 29	.....	.....	.....
Nov. 30	4.33	5.39½	4.32¼
Dec. 2	4.34⅜	5.40½	4.34
Dec. 3	4.33¾	5.35¾	4.31¾
Dec. 4	4.36	5.39½	4.33½
Dec. 5	4.39	5.46	4.36½

What of Your Partners?

As a business man you have no doubt provided for your family by life insurance, but how would the death of your partner affect the capital account? The Great-West Life has a plan that meets the situation.

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Second Rich Discovery on the PORCUPINE GRANDE

The core drill has spoken again on the Porcupine Grande—and again it proclaims rich values. A few weeks ago a strike giving $79 across 2½ feet and an average of $44 across 7½ feet was registered. The second hole opens up an entirely new zone. Sixteen feet of core from the first 100 feet give returns of $11, $5, and $9. Another section of the core displays values of $24 over 5 feet with an average of $9 over 86 feet of core.

Such excellent assay showing corroborates and establishes the extent and rich gold content of the property. All indications point to the Porcupine Grande forming a very important link in a gold belt connecting up the Dome and Nighthawk Lake district. Further, this mine is running true to Porcupine history, for the deeper the working the broader and richer are the deposits.

The Deeper the Richer

"Our underground workings," states an official at the mine, "are only to a depth of 200 feet, while it has been at a depth of around 400 feet that the drill holes have got into the best grades and dimensions found on the property. There is a distinct improvement at depth over surface. Our underground work shows narrow stringers on surface to widen to several feet at a depth of 200 feet. One of these, only a few inches on surface, showed $10 grade across several feet at the 200-foot level."

A third diamond drill hole is now under way. At 450 feet it is expected to cut a vein which has shown surface sampling of $6 a ton across forty feet.

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Weekly Bank Clearings

EASTERN CITIES

	Nov. 29, 1923	Change	%
Montreal . . .	$107,432,755+	$ 17,694,773	19.7
Toronto	90,499,853+	637,653	.7
Ottawa	6,261,811+	541,991	9.5
Hamilton . . .	5,632,232+	477,289	9.2
Quebec	5,451,282—	65,161	1.2
Windsor	3,447,073+	812,047	30.8
Halifax	2,947,964+	228,910	8.4
St. John	2,697,406+	395,480	17.2
London	2,390,746—	125,054	4.9
Brantford	988,111+	64,953	7.0
Moncton	856,485—	101,688	10.6
Kitchener . ..	843,927—	92,568	9.9
Sherbrooke . .	727,766+	140,613	23.9
Peterboro	789,790+	135,648	20.7
Kingston . . .	537,673+	13,315	2.5
Total East . .	$231,504,874+	$ 20,758,196	9.8

WESTERN CITIES

	Nov. 29, 1923	Change	%
Winnipeg	$82,051,265—	$ 843,897	1.0
Vancouver . .	14,587,409+	495,455	3.5
Calgary	7,690,071+	2,075,295	37.0
Regina	4,968,549+	449,479	9.9
Edmonton . ..	4,249,175+	421,691	11.0
Saskatoon	2,447,718+	601,607	32.6
Victoria	2,066,326+	280,881	15.7
Moose Jaw . .	1,587,699+	28,150	1.8
Ft. William .	1,461,471+	751,144	105.7
Lethbridge . .	723,935+	72,771	11.2
Brandon	617,209—	80,242	11.5
N. W'minster	579,197+	60,937	11.7
Medicine H. .	454,366+	78,378	20.9
Pr. Albert . .	396,507+	13,949	3.6
Total West .	$123,880,897+	$ 4,405,598	3.7
Grand total ..	$355,385,771+	$ 25,163,794	7.6
Yr. to date	$15,713,285,624+	$1,076,452,412	6.8

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Nov. 1923	Change	%
Montreal . ..	$ 628,461,740+	$161,036,416	34.4
Toronto	541,238,764+	106,197,512	24.4
Ottawa	37,454,717+	2,029,434	5.7
Quebec	28,467,045+	23,605	.1
Hamilton	27,306,440+	2,440,922	9.8
Halifax	14,850,788+	1,866,330	14.3
St. John	14,021,894+	2,438,906	21.1
London.... . ..	12,186,576—	348,662	2.8
Brantford	4,798,854—	426,898	8.1
Kitchener	4,472,671—	191,125	4.1
Moncton	4,206,399—	637,075	13.1
Sherbrooke . .	3,746,642+	348,349	10.2
Peterboro . . .	3,698,765+	331,898	9.8
Kingston	2,926,357—	17,027	.6
Windsor	15,137,590		
Total East .	$1,327,837,652+	$275,092,585	26.1

WESTERN CITIES

	Nov. 1923	Change	%
Winnipeg	$366,431,143—	$ 3,992,218	1.1
Vancouver . . .	71,361,199+	11,180,518	18.5
Calgary	34,268,725+	7,940,244	30.1
Edmonton	19,301,993—	10,686,530	35.6
Saskatoon	11,770,453+	2,473,785	26.0
Victoria	11,352,706+	3,002,066	35.9
Moose Jaw . .	7,692,170—	144,843	1.8
Ft. William . .	6,294,994+	2,169,890	52.6
Lethbridge . ..	3,782,843+	451,076	13.5
Brandon	3,357,383—	293,627	8.7
New Westm'nst'r	2,604,669+	268,407	11.5
Med. Hat	2,246,290+	200,095	9.7
Pr. Albert	1,952,161+	213,963	12.3
Total West ..	$542,411,729+	$ 12,782,826	2.4
Grand total .	$1,870,249,381+	$287,875,411	18.1

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, DECEMBER 7, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

THE TEST OF MR. MEIGHEN

THE attempt of Lord Atholstan and his Montreal Star group of newspapers to drive Hon. Mr. Meighen out of public life seems to be having the opposite effect, if we may judge from the spontaneous and cordial support the ex-Premier received at the recent gathering of Conservative leaders in Ontario and from press comments and resolutions coming out from all parts of the Dominion. It is evident that a strong attachment for him has been lying dormant in the hearts of his own party, many of whom voted against their party, but not against him, in the last election. There are undoubtedly many outside his own party—men prominent in the Liberal party—who, while disagreeing with him, respect him for his ability, trust him for his high character and have hopes of him because of the courage he has shown to do the right thing when he knew that it would be politically unpopular.

While one of the most brilliant men in public life, the ex-Premier has some serious weaknesses as a leader which, however, can be overcome. He has not mixed enough with the big world and the big problems. He wastes too much time on petty questions and petty men. Thoroughly loyal and conscientious himself, he believes others are actuated by his own high motives in serving the country. He has followed their guidance with serious setbacks to his own reputation. When opportunity came to him of organizing a ministry that would command the respect of the country, he failed badly. Moreover they had no constructive record and he announced no constructive policy. His defeat became inevitable.

There is perhaps no man in parliament more highly regarded throughout the country by all classes. The coming months and session of parliament are his opportunity—his opportunity to show whether Atholstan or his friends who believe in him are right in their estimate of him.

THE PLIGHT OF THE CANADIAN WOOLLEN INDUSTRY

THE woollen manufacturers are one of several industries that have been unjustly treated under our tariffs. A generation or two ago they were one of our great domestic industries. Halifax and Quebec tweeds and Ontario blankets were sought after by foreign buyers. Nearly everything Canadians wore was grown on Canadian farms and made in numerous little Canadian factories, and there were no complaints of inferior quality. Changing times brought "shoddy" materials, improved machinery and larger production and our mills had a hard time for many years in fighting inferior quality and in adapting themselves to new manufacturing conditions. Just as they were getting on their feet came the first preferential tariff—a serious blow. Mr. Fielding, the then minister or finance, recognized this and was working on a plan of relief for woollens, the whitewear, and some other industries, when unfortunately the C. M. A. executive at Toronto took up their case, and in spite of protests from the woollen people and others, sent a peremptory and offensive telegram to the premier, giving a copy to the press at the same time. It put the woollen manufacturers in direct antagonism to the great Liberal Party. Laurier came back — as was to be expected — with a scathing answer, which the entire press printed because it was so unusual. It so turned public opinion against the woollen industry that it was impossible to secure justice. This important national Canadian industry has suffered ever since, and the situation is growing rather desperate as these figures in one section alone show. In woollen socks and stockings the imports have grown:

1921—12 months	2,817,456 pairs
1922—9 months only	4,117,800 pairs
1923—9 months only	6,364,212 pairs

The manufacturers say it would keep 1,200 hands busy in Canada for nine months to produce these socks.

Members of the government frankly admit the injustice under which a number of industries are working, but say they are helpless, as public opinion is demanding reductions, not increases, in the customs tariff. The fact that cards asking Canadians to buy "Made in Canada" are being torn down throughout the country, confirm the government attitude and show something wrong with public opinion when such extraordinary shortsighted happenings are not unpopular. The causes should be ascertained and the remedies applied. This is the only hope.

THE PUBLIC AND THE BANKS

WITHOUT a dissenting vote a Toronto meeting of Home Bank depositors passed resolutions calling on the Dominion parliament to amend the Bank act so as to make government inspection of chartered banks obligatory and to establish a Federal bank with branches in all the large cities and also asking the Ontario government to increase the number of Provincial Savings Bank branches. Similar resolutions are being passed by organized bodies of Home depositors across Canada. Addresses are being delivered by members of parliament and others to gatherings of farmers and townspeople which are forcing the banking issue before parliament.

These resolutions are being passed by people who have little or no understanding of what they entail. They are prepared by publicity-seeking lawyers and interested politicians. They are passed because the people who have lost their money are willing to endorse anything which they are told will improve the situation.

Canada does not want more government banks. Canada does not want government bank inspection—although some measure of head office supervision might be good policy in restoring public confidence.

Public opinion must be educated to the truths of the situation if this campaign for dangerous paternalistic legislation is to be defeated in its purpose. The banks and the Canadian Bankers' Association must change their policy of aloofness. They must take the people into their confidence and educate them as to what the banks are really doing, the basic soundness of the system as compared with the systems existing in other countries. Good work in this connection can be done in the individual communities through the branch bank managers who could become an important factor in shaping public opinion through their relations with their customers. The C. B. A. should represent the interests of the depositors and borrowers of the banks and should not be handicapped by the jealousies of its competing members. It should be able to guide the government in the passage of constructive legislation in the interests of all concerned,—shareholders, borrowers, depositors and the general public.

HIGH WAGES MEAN HIGH TAXES

WHILE it is highly desirable that Canadian needs should be filled with the products of Canadian manufacture it is questionable if this should be done at the expense of the taxpayers. Toronto has decided to purchase its iron pipe from a local company but at an added expenditure of $20,000.

The influence of labor in the city council was responsible for the decision. It is a case where the taxpayers will bear the burden of an unsound economic situation created by false wage levels set by the city's own minimum of 60 cents an hour for civic laborers. The workers get their high wages but the taxpayers, including all workers, pay the shot.

CANADA WANTS THE PANAMA ROUTE

AT the conference of the Ontario Branch of the C. M. A. last week it was shown that on a pair of boots the water transportation cost from London to Vancouver is 5 cents while the rail transportation cost from Toronto is 16 cents—a clear advantage to the British manufacturer of 11 cents.

The shoe manufacturers explain that there is no regular direct service between Canadian Atlantic ports and Vancouver via the Panama Canal and if goods are transshipped at New York duty is charged on arrival at Vancouver.

This is a striking instance of the advantages of the new Panama route being lost to Canada. Canadian manufacturers do not desire to ship through an American port or use American steamers if Canadian facilities are offered but it would be shortsighted to ignore the economic advantages of a new route which are open to British and American competitors.

RETICENT CABINET MINISTERS

THE Western farmers are complaining of the secrecy with which their own Government—the Farm Government of Alberta—conducts its affairs. Too often Cabinet Ministers, provincial and national, become autocratic in their attitude towards the public of which they are servants.

The recent action of the Finance Minister of the United States, Mr. Mellon, in giving his policy on tax reduction to the newspapers as a whole instead of waiting to present it formally to Congress is in striking contrast to the wrong attitude of some of our Finance Ministers. It is rather remarkable that two of our most reticent ministers were old newspapermen, Sir Thomas White, and Hon. Mr. Fielding, while Mr. Mellon was a professional banker, of a class that is more naturally inclined to withhold information. Our own Finance Minister's contention was that information should be given to Parliament only.

Mr. Mellon's method of giving it to the country some time in advance of the assembling of his Parliament gives the members a chance to hear the views, and to discuss it with their constituents. They arrive at the Capital with a broader grasp of national opinion and a fuller knowledge of the effects of any proposed legislation. Under our present system masses of information and numerous pieces of new legislation deluge them. They are unable to absorb their meaning or effect and must give snap votes.

FAKE RUSSIAN ORDERS

AS far as is known, none of the Canadian manufacturers who are readers of THE FINANCIAL POST were taken in by the stories of great Russian orders for Canadian products of all kinds, or for the lesser orders for Turkey with the C. A. Barnard-Colonel Grant-Morden group of promoters spoke of.

A few Canadian business men and quite a few politicians at Ottawa were taken in but Canada, thanks to THE FINANCIAL POST, got off easily compared to U. S. manufacturers.

Another of the Lenine-Trotzky agents has just been sent to jail for three years and fined $3,000 after he had placed contracts in the United States for shoes, automobiles, trucks and clothing totalling $120,000,000. J. A. Doyle, a shoe manufacturer, got a $36,000,000 contract for 10,000,000 shoes. A button company got a million and a half contract on which they paid a commission to the Lenine-Trotzky agent of $3,000 and spent $30,000 in installing machinery to care for the contract. Another Chicago firm got an order for five thousand 5-ton trucks. Of course the Russians had no intention of carrying out these contracts, had no use for the goods and had no money to pay for them in any event but their agents collected in the States and Canada advance commissions which are said to amount to many millions of dollars. The agents pocketed a big share of these funds and the remainder was used in carrying on Soviet propaganda.

The Soviet mission, said now to be on its way to Canada, is another manifestation of the same scheme. The chances are that they will not be allowed to land.

EDITORIAL NOTES

AN IMPORTANT phase of the effort to develop the iron ore industry in Northern Ontario, is its effect on the railways. The long barren section where the iron ranges abound, produces no tonnage and yet adds heavily to the train miles in east and west shipments. The proposal for an iron ore bounty is made in the hopes that it would result in the development of some of these large ranges. The railways of the Dominion, especially the Canadian National, would undoubtedly benefit.

* * * *

QUOTING THE FINANCIAL POST'S Montreal special: "Montreal picks Ferguson to be Canada's New 'Baldwin'," The Saskatoon Phoenix expresses the opinion: "We need, not a Baldwin, but a Canadian John Bright." Further, The Phoenix refers to Lord Atholstan's plans for a successor to Mr. Meighen as "underground manipulations" and asks whether he "regards the discovery of Mr. Ferguson as the perfect flower of his campaign to impress the Canadian people with their need of a leader and their nearness to bankruptcy."

Sixty-Six Years in Business is the Record of Henry Birks

At Sixteen He Became a Jewellery Clerk Because He Went to Sunday School Regularly and Now He Heads one of the World's Biggest Retail Concerns

By FLOYD S. CHALMERS.

Seventy years ago a too energetic youngster chased cows across a field below Mount Royal, and was soundly thrashed by the owner of the cows for his action. To-day the youngster—though he is 83—sits each day at the president's desk of one of Canada's most important merchandizing institutions, which stands on the spot where the angry farmer caught him playing with the cattle.

Henry Birks has been in active business in Canada for sixty-six years, which is a long stretch of time and covers many changing eras in this young country's history. He was born in Canada, got his start in Canada, and remains still in Canada which is in itself unique in a country that has drawn its successful nation-builders from all parts of the British Isles, the United States, and not a few other countries.

A Store of World Importance

The house where Henry Birks was born still stands in Montreal, huddled down, despite its additional new two top storys, among the ten-story banks, trust office buildings in the financial district of the city. It is a strange contrast to the chaste and imposing jewellery store of Henry Birks and Sons uptown, and the six other Birks' stores throughout Canada. The Montreal store is the largest ground-floor jewellery store in the world. With one exception, it is the largest jewellery store in the world. Tiffany's, of New York, with two merchandizing floors, is a larger. The firm has one of the largest turnovers of any retail organization in Canada, and sells hundreds of thousands of dollars of goods each year by mail to American citizens and Canadian citizens. It manufactures more of the goods it sells in its store than any other similar organization in the world.

This is a remarkable concern, then that is the product of Henry Birks' work and genius. And yet if the superintendent of the Sunday School Henry Birks attended as a boy had not been a jeweller it might never have come into being. The superintendent was the junior partner in Savage and Lyman, who ran a store downtown in Montreal. The firm was looking about for a bright young lad to act as a clerk. Mr. Lyman chose Henry Birks, because he had the best attendance record at the Sunday School of which Lyman was the superintendent. That was in 1857. Eleven years later Birks was taken in as a partner, and in another eleven years he went into business for himself, opening the little store that grew to be the present mighty organization. The company has been built up in forty-four years.

Runs a Cash Business

When he first went into business Mr. Birks put his name to a promissory note for $400. He paid it off when it fell due and he has never since bought goods on credit. It has been an inviolable rule of Henry Birks' stores that every dollar's worth of merchandize bought should be paid for in cash.

Shortly after he started in business, Mr. Birks established another rule that he has followed ever since. He abolished the prevailing system of bargaining with the customer about the price of articles sold. In the old days a jeweller always had a a secret mark on a watch he had for sale, and the first price quoted the customer was always several points above the real price indicated by the secret mark. But Mr Birks started to put prices on his goods and to stick to those prices. Since then, the man who spends $1 in Mr. Birks' store and the man who spends $100,000, have always had to pay the same price for the articles they bought.

Employees Own Stock

The Henry Birks organization has pursued the policy of promoting men from within his organization. Most of his important men started with the company as boys. All of them are stockholders. Every official of the company is required to make an investment in the firm. If any official leaves, his stock is bought back. Thus every official is a stockholder, but not a single share of stock is held outside the Birks family or the Birks organization. Needless to say the employees who have held stock have had substantial dividends on their holdings.

Mr. Birks has chosen his employees carefully, with a view to training them to occupy important posts in the company. And once he has put a man in charge of a certain work he has given him complete charge of that work and has trusted him implicitly. "That is one of the rules of our business," said Mr. Birks, "that a man is to be trusted."

Employees Get a Chance

It is said by friends of Mr. Birks that he never punished an employee for a first or second offence, even in the case of a dishonest action. And the honor system in the store has worked so well that it is said there has never been a prosecution of a Henry Birks employee, although the temptations before them, with millions of dollars of jewels, watches gold and silver articles, passing through their hands, have been very strong.

Not long ago there was a fire in the main store of Henry Birks and Sons in Montreal, The staff is trained to know what to do in case of a fire and the only damage was to a small collection of brooches and pins in the basement that were damaged by water. An estimate was made of the damage and a claim sent to the insurance company for $600.

A few days later Mr. Birks received a visit from the adjusters. "We never expected that we would get a wrong claim from Henry Birks and Sons," they said. And having gotten off that complaint they handed Mr. Birks a cheque for $750. "Your estimate of the loss was entirely too low. This is such an unusual occurence in the fire insurance business we feel we cannot take advantage of your conservatism and honesty," they told him.

How Fire Drills Work

With a king's chest of previous gems in the store at any one time, it may be wondered how a fire could result in only $750 loss. This is due to the system of fire drills in the Birks' store. Every clerk is trained to a certain duty, and it is possible, if a fire alarm is sounded, to get all the valuable articles, comprising 75 per cent. of the stock in the store, into the vaults with lightning speed. On the occasion of the last fire alarm every precious jewel, every watch and every other precious article in the store was in the vaults, safe from harm within three minutes. When the store closes at night all these articles are put in the vaults for safe keeping.

Birks have seven stores in Canada They opperate stores under their own name in Halifax, Montreal, Ottawa Winnipeg, Calgary, and Vancouver and the Ryrie store in Toronto is owned almost outright. The Ryrie name is retained because of the associations it has for the people of Toronto. The stores all do a big mail order business, a very large proportion of it to be United States, many lines of jewellery being cheaper in Canada.

In the course of a year, hundreds of thousands of dollars of precious stones are sold in the Birks stores to American tourists, who take them back to the United States with them. There is no duty on diamonds entering Canada, although a set diamond is subject to 45 per cent. duty in the States. In the States, detectives, customs' officers, and other government officials, are continuously busy tracing jewels that have been smuggled into the country. In Canada the view has been taken that to make diamonds dutiable is merely to make us a nation of smugglers, so the duties have been kept off.

Some years ago, Mr. Birks went to Ottawa to talk to a parliamentary committee that was going to put a duty on diamonds. In the course of his evidence he put his hand in his pocket and pulled out a fistful of sparkling stones. There were thousands of dollars' worth of them lying in the hollow of his hand. "That is why you cannot put a duty on diamonds," he said. "You cannot stop them coming in anyway. They are too easily hidden." It was a dramatic and convincing gesture.

Perhaps family happiness has helped Mr. Birks to be successful. He has three sons, nine grandchildren, and four great-grandchildren. All are alive. There has never been a death in his family in fifty-six years of married life. Three of the sons are in the business, and four of the grandsons. One of the grandsons, Henry G. Birks, is general manager of the business.

Henry Birks celebrated his eighty-third birthday last week. He spent it as he spends every other day, in the store in Montreal. The other day when Henry Morgan and Company opened their beautiful new store, Mr. Birks was presented with a golden key in commemoration of the fact that he has been a business neighbor of Morgan's for forty-four years.

His business success indicates the possibilities in Canada for the man who will combine faith in his country wtih honesty and vision.

Why Government Ownership is Inefficient and Destructive

By HERBERT N. CASSON, London, Editor of The Efficiency Magazine.

Speaking quietly, without rage and prejudice, can anyone tell why it is that all government departments in all countries are slow, wasteful and incompetent?

There must be some basic reason for this, as the individuals in these departments cannot all be inferior to the individuals in private firms.

Almost invariably an able man becomes disabled when he is placed in a government department.

He becomes timid, procrastinating, non-committal, evasive and unprofitable. He becomes a mere chattel of routine.

Why is this?

The fact seems to be that man simply cannot be competent in a government job, for the following reasons:

1. There is not payment by results. There is no piece-work. There is no profit-sharing. A man gets as much for doing badly as he does for doing well.

2. There is no fear of discharge. A man may be transferred, but as long as his conduct is satisfactory, he cannot be discharged for incompetence. Any sort of a fool can hold a job forever in the civil service.

3. There are no profits to be made. There is no possibility of bankruptcy. If the department doesn't pay—very well. The treasury has plenty.

4. There is no danger of losing customers. A government department does not depend upon its customers, so that it has no incentive to be quick and courteous and obliging.

5. The main thing is accuracy, not success. A government employee has simply nothing to do with success. His aim is to avoid mistakes. The less he does, the fewer mistakes.

6. Time is of no consequence. As all government employees are made into clerks, they come to have a clerk's disregard of time. To clerks as to lawyers, a delay is a relief and comfort—the more the better.

7. The work is impersonal. There is very little personal responsibility in a government office. The clerks have arranged a system whereby nobody is to blame, no matter what happens.

8. There is no competition. A government department is always a monopoly. If it were not, it would soon be thrown aside. It has no competition to battle with, and it can take its ease and do as it pleases.

9. Routine is put ahead of service. In government departments all the workers (if I may use the word) are tied with red tape. They are all the slaves of a system of procedure.

10. There is no enthusiasm. If a man stays in a government job long enough, he becomes mummified. He loses all the energy and joy of living that are so necessary to efficiency and success.

These are a few of the reasons why nationalization always has failed and always will.

Just put yourself in the place of these poor automats. No matter how able you are, how could you be efficient if you had:

No hope of profits, no fear of failure;
No competition; no customers;
No reason of hurry, and
No danger of being found out.

Nationalization is not only a destroyer of trade and commerce; it is not only a coral reef built across the harbor of prosperity.

It is worse. It is far worse. It is a destroyer of men. It takes an able man and grinds him down until he is a clerical drudge.

More Lloyd George Misrepresentations

NEW YORK.—The Herald, commenting on Mr. George's speech Monday last, in which he said that "during the war the United States would not lend money to tariff countries like France, Russia and Italy unless free trade England backed the bills" **says:**

"This statement has been officially declared by our Government to be without basis in fact.

"The United States lent $10,102,140,820 to other Governments for war purposes, of which amount Great Britain borrowed $4,135,818,358.44. We lent $3,340,746,215.16 to France, $1,648,034,050.90 to Italy, $192,601,297.37 to Russia and about $800,000,000 more to sixteen other countries. "Free trade England' backed the bills only for her own borrowings, about 40 per cent. of our total war loans, and has no responsibility either in law or ethics for the debts of other nations to the Government of the United States.

"A few British statesmen, however, appear still to hold the belief that Great Britain guaranteed her allies' debts to us. Lord Balfour, in his note of August 1, 1922, on debts among the Allies, said: 'The United States insisted, in substance if not in form, that though our allies were to spend the money it was only on our security that they were prepared to lend it.'

"Secretary Mellon on August 24, 1922, issued an official statement in which he categorically denied that Great Britain or any other power had negotiated war loans from the United States Government on any understanding of joint responsibility. This denial was supported by documents and included this specific declaration: 'No guaranty of the obligations of one borrowing nation was asked from any other nation.'

"Both Bonar Law and Stanley Baldwin admitted, the former at a Paris conference in December, 1922, and the latter in Parliament last February, that Great Britain had not borrowed on behalf of the Allies.

"Finally, Ambassador George Harvey, in his notable speech delivered at the Pilgrim dinner in Mr. Baldwin's honor on February 28, reviewed the history of our loans to Great Britain so fully and effectively that the alleged guaranty has not been referred to by a responsible statesman from that time until now. Lloyd George made no mention of it anywhere during his visit on this side of the Atlantic.

"The debt settlement between the United States and Great Britain is a fair settlement and does credit to the statesmen of both nations. It stands out as the great stabilizing achievement of 1923. But in the heat of an electoral campaign Prime Minister Baldwin is being attacked for his part in making it. Can it be that Lloyd George has forgotten the Harvey speech and the statement of Secretary Mellon?"

PERSONALS

CLARENCE A. BOGERT, general manager of the Dominion Bank, has been elected the vice-president of the U. E. L. Celebration Corporation for 1924. It is proposed to hold a celebration in Belleville next June in honor of the 140th anniversary of the settlement of the U. E. L. in Upper Canada. Mr. Bogert is a native of that part of the province having been born in Napanee; he is the son of R. Stephen Bogert, a descendant of the United Empire Loyalists.

SIR JAMES WOODS, who has just been chosen one of the vice-presidents of the Imperial Bank of Canada, has been a member of the board for many years. He is president of Gordon Mackay & Co. and also president of York Knitting Mills, Toronto Hosiery and Canadian Dyers' Association, Gordon Mackay subsidiaries. He is a past-president of the Toronto Board of Trade and one of the outstanding figures in the Toronto viaduct movement. Sir James has frequently been urged to stand for political office, but so far has declined to do so. He is a leader in the Presbyterian church.

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Instant marketability of securities is frequently one of the most vital requirements of many holders of investments.

In making purchases of securities that may have to be sold promptly, it is well to make sure that they are properly suited to the purpose. Do they adequately measure up to the requirements? Have they a high cash value? Are they well known? Have they an instant marketability in practically every community from coast to coast? Are they subject only to narrow fluctuations or can quotations be readily obtained?

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

WHO TO BUY THROUGH

Reader, Rutland, B.C.—Could you tell me who would be the best person through whom to buy various Northern Ontario mining shares?

Almost any reputable brokerage house would be quite satisfactory to deal with in the purchase of the mining shares which you name, or you might buy them through a bank.

WEST DOME LAKE

Subscriber, Ontario.—I am thinking of buying 1,000 shares of West Dome Lake. What do you think of the future of this mining company?

West Dome Lake is regarded as a good purchase at the present price. The company has large holdings, favorably located west of the Dome. Underground developments are progressing favorably.

LORRAIN CONSOLIDATED

Mining Speculator, North Toronto.—Do you think there is much chance of a good speculation in Lorrain Consolidated? I am thinking of picking up 1,000 shares.

Lorrain Consolidated is more of a gamble than a speculation. Much depends on the long crosscut now being run to cut the Belle Ellen vein which it is thought enters the property. There have been many reports abroad about market manipulation in this issue.

MATACHEWAN GENERAL

Ruxton Road, Toronto.—I bought 500 shares of Matachewan General Mines when it was active on the market and would like to know what are my chances of a profit.

Matachewan General got a black eye in the market when a dispute arose between the principals. Since then the proposition has gone along very much neglected. The property is well located, but is small, consisting of one claim.

CLIFTON

J. F. M., Toronto.—What do you consider the future value of Clifton? I hold 1,000 shares.

Your thousand Clifton is a good hold. Favorable developments on the property have been encountered of late. Besides which the mill, though operating on a small scale, is showing a good profit. In a short time some announcement will be made in regard to the contemplated purchase of the St. Anthony Mine. Clifton is well located just south of the Dome in Porcupine.

AMES-HOLDEN, McCREADY

Reader, Sackville.—In 1914, I bought stock in Ames, Holden, McCready to a value of $1,000. Can you tell me anything about this concern now?

Perhaps you know there was a reorganization of Ames-Holden, McCready, and the stockholders received an adjustment on their holdings. If you were not notified of this reorganization you should communicate with the company at once to the end of getting any new certificates that you are entitled to.

CARRIAGE FACTORIES

T. M., Sackville.—I hold seven shares of Carriage Factories. I have had no dividends since 1915. Any information you can give me will be appreciated.

Carriage Factories, Limited, is not in a very satisfactory position. Its earning power has been greatly diminished, because it went through a period of considerable stress when it had to go out of the business of manufacturing carriages and find a new product for its plant. The directors state that they have plans in mind that mean a great deal for the company, but the outlook at present is very obscure.

CANADA GOLD

Subscriber, Cornwall.—I want your direction on this Canada Gold matter. I have not had enough experience to judge. A few months ago I got your advice "and you saved me and my friends money."

Canada Gold Syndicate is a highly speculative mining venture. It is an organization raising capital to buy properties of promise where they can be got cheaply. The purchases will be made on the advice of good mining engineers, and then an effort made to develop them. It is somewhat different from the mining organization which is got together to go ahead and develop a certain property.

NIGHT HAWK

G. H. G., Ontario.—Is it advisable to invest in Night Hawk Peninsula now or after it is listed, that is whether it is likely to go up or down after it is listed?

We doubt very much if there will be any material decrease in the market price of Night Hawk Peninsula Mines after it is listed. The stock has been selling around $1, until recently, when the company took over the sale of its own stock and decided that future offerings would be at $1.25. When the stock is listed it will likely be at $1.25. This is quite a bit over the price that most of the shares sold at, and it is just possible that some who went into the proposition as an absolute speculation and for a quick profit may step in and take their profits. This might cause the market to sag momentarily.

ATLAS VS. WEST TREE

Druggist, Northern Ontario.—I would like to have your opinion on the advisability of transferring 5,000 shares of Atlas to West Tree stock to try and overcome loss owing to the drop in the market of Atlas.

You ask as to the advisability of switching five thousand shares of Atlas Gold Mine for five thousand shares of West Tree. Atlas shares have been selling at 4¾. The company is capitalized at $2,000,000, with 1,400,000 shares with par value of $1 issued. The property is 42½ acres. West Tree is capitalized at $5,000,000, with about 4,000,000 shares issued. Shares have been selling around 6c. Both properties are in Shining Tree Mining area. There is little about either effort to recommend them. An important difference between the two is the capitalization. Undoubtedly West Tree is the better property and has shown best results to date.

RICKENBACKER MOTOR

Investor, Englehart.—Would you kindly let me know as soon as possible the advisability of investing in Rickenbacker Motor Co., common stock?

The Rickenbacker Motor Company was incorporated in July, 1921, and owns motor plants at Detroit. It has a funded debt of $400,000 and capital outstanding of $4,664,210, made up of shares with a par value of $10 each.

The company produced 5,000 cars in 1922 and the schedule called for 15,000 cars this year. The earnings for 1922 netted 13 per cent. of the paid-in capitalization, and dividends of $2.75 were paid this year.

So far, the company seems to have done fairly well. However, you must understand that there is intense competition in the motor field and stock in any such a company cannot be called a sound investment until it has proven its ability to earn dividends consistently over a period of years.

INDUSTRIAL ALCOHOL

F. A., Montreal.—I propose purchasing some shares in Canadian Industrial Alcohol at 2½. Would like your opinion of this purchase.

The annual statement of Canadian Industrial Alcohol will be issued in about two weeks, and will, according to preliminary estimates, indicate earnings of about 10 per cent. on the stock. This compares with the present dividend of 4 per cent. per annum, plus a bonus of 2 per cent.

Alcohol has fair speculative possibilities in view of the high rate of earnings at the present time. The company is engaged in the manufacture of alcohol which is sold in the form of a spirits for household use and also as whiskey. There is a good trade in whiskey; a large proportion of the company's product is for export.

The stock has had quite an advance this year, and it may be that it has for the moment discounted entirely the improved earnings that the annual statement will indicate. But as a speculation it has reasonable possibilities.

CAN. FARM IMPLEMENT

Reader, Laird.—Would you please forward me a report as to the prospects of the Canadian Farm Implement Company, Medicine Hat?

We have information from reliable sources in Calgary that this concern should be able to produce at reasonable prices quite an amount of desirable machinery, peculiarly adapted to conditions of the country. Failures are to be expected in regard to some of these implements, but with a good location, with cheap power and labor at a reasonable price, there should be reasonable opportunities for success. The men behind the project are well regarded.

The directors' annual report, issued in August, stated that the following implements are being supplied: Rotary harrow, double sickle mower, stubble burner and weed destroyer, Canadian tractor, grain cleaner and Wonder binder. The sales organization is being built up by reliable agents in each district.

Regarding the auditor's statement and balance sheet, the president, J. E. Davies, states that, while it does not warrant paying a dividend, it shows a surplus and tangible assets that should soon put the company on a paying basis. He asks reasonable time to get the concern organized and operating on a sound commercial and industrial basis.

C. N. DEBENTURE STOCK

Investment Bankers, Montreal.—We would question the recent quotations for Canadian Northern income charge convertible debenture stock, due 1930, given in THE FINANCIAL POST to an investor. Recent prices prevailing in London for actual transactions together with charges for transfer, etc., would make a higher quotation to the investor than you have given.

The quotations were based upon the latest London, England, quotation, London being the established market place for this security. Toronto and Montreal bond dealers feel that after adding cost of transporting the bonds, provincial and federal transfer taxes, selling expenses, etc., that the stock could not be laid down in Canada for the investor at the figure mentioned. This is true as regards the smaller investor; he can hardly expect to purchase a security that must be brought from England and get it at the same price as the large investing institution with wide facilities for trading. And the investment house that brings the security out, advertises it and puts its undoubted attractions before the investor is entitled to a reasonable profit on the transaction. While there have been numerous cases of this and similar securities being sold to investors at prices that gave an abnormal margin of profit to the seller the investor who deals with a reliable investment house, many of which are offering this debenture stock, can be assured of getting a reasonable quotation at all times, even though there may be a seeming disparity between this quotation and the London price.

STANDARD SECURITIES

T. M., New Brunswick.—In 1914 I purchased stock to the value of $5,000 in the Standard Securities Limited, Montreal. Can you tell me anything about the situation in regard to this company at the present time?

It has taken several years to work out the affairs of the Standard Securities, Limited, and it is quite possible that at least another year will be required to finally clean up matters that are pending settlement. The company has certain debtors in Newfoundland from whom it is attempting to collect, and legal action has been necessary to this end. This has been further complicated by the fact that one of the debtors has gone into liquidation.

The chief asset of the company consists of large holdings of stock of the Ice Manufacturing Company, which manufactures and distributes ice for domestic purposes in the city of Montreal. When all the assets are cleaned up it will be possible to get an order from the court authorizing the distribution of Ice Manufacturing shares to the shareholders on a pro rata basis. This plan will likely be adopted rather than to sell the shares and distribute the cash, as the dumping of such a large block of stock on the market would greatly depreciate its value.

All of the company's creditors have been paid off in full, we are informed, and the assets now being administered are for the benefit of shareholders. It is expected that they will amount to about 40 or 50 cents on the dollar when finally distributed. While dividends are being paid on the ice company shares, they are going largely to the expenses of administration.

PORTO RICO RAILWAYS

G. C. M., British Columbia.—I am a shareholder in Porto Rico Railway. I have owned my stock for fifteen years and have never failed to receive my quarterly dividend at the rate of 7 per cent. I notice quite a decline in the price of the stock and am wondering if this is a forecast of the end. Is the company in such a condition that it would be reasonable to suppose that it will in due course climb back to the original status? I paid par for my stock and do not wish to make an unnecessary loss by selling at a sacrifice price.

It would not be surprising if there was a shake-up in the organization of Porto Rico Railways' Company, for earnings this year have been very unsatisfactory in several different departments. For the first ten months of the year net earnings were about $100,000 behind the 1922 figures.

The trolley and railroad divisions have been met with very serious competition from motor cars operating as jitneys. There have been conferences recently between the local government and the company to the end of restraining this competition, and it is hoped that definite arrangements will be made to give Porto Rico Railways a free hand in its own field without serious jitney competition.

The lighting and power division has also been unprofitable this year, because of the shortage of rain on the island. This has reduced the hydro-electric production, and it has been necessary to operate the auxiliary steam plant for seven months of the year, which has increased the cost of power by close to $90,000.

Both of these circumstances are likely to show improvement. If the jitney competition can be done away with the railway and electric lines could be made to earn a profit. With normal water conditions, lighting and power divisions could also be made to earn a profit. But it is likely that interests associated with the company will make an investigation of the properties to the end of improving management and operating conditions where possible and effecting any reorganizations that are necessary.

Considering the fact that the conditions that have brought about the lower net revenues this year are somewhat abnormal, we would consider that the sale of your stock at the present time would be in the nature of a sacrifice, and as the prospects are for some improvement we feel that you would be wise to hold.

The directors of the company are: W. D. Ross, president; L. M. Wood, vice-president; S. J. Moore, Hon. W. B. Ross, K.C., A. E. Ames, D. E. Thomson, K.C., James Ryrie, V. M. Drury, Hon. Ramon Valies, W.H. Chase.

BIG OATS CROP

EDMONTON.—Many phenomenal grain crops are being reported to the Provincial Department of Agriculture this year, and the latest, near Hobbema, will in all probability set a new mark for oat production in the province. On a twelve acre field, the yield averaged one hundred and twenty-three bushels to the acre.

The Rights of Riordon Shareholders

Has the Riordon Co. actually gone into bankruptcy? If so who has been appointed receiver and was he appointed by the shareholders or by the Federal Government? I have over a thousand dollars of preferred stock in the company. Is it a fact that my shares or interest have been confiscated and handed over to the bond-holders of the company together with other assets of the company? If so, I gave no consent. In the interests of fair-play should not the Federal Government look into this transaction, and I submit THE FINANCIAL POST has a splendid opportunity of exposing any scheming in the premises. Yours, etc.—Shareholder.

Nova Scotia, Nov. 26, 1923.

We do not see wherein there is any ground for your statement that your shares in Riordon Company have been confiscated and handed over to the bondholders. Shares in an industrial company do not represent a direct claim on fixed assets. That is the claim of the bondholders who hold a mortgage. The shareholder has an interest in the business. He must take a business chance. If the directors, in their administration of the affairs of the company, suffer losses, he must expect to share those losses. Of course, if there have been offences under the criminal code, it is another matter, but there has been no hint of this, so far as we are aware, in connection with the affairs of the Riordon Company. There was an abnormal situation in the pulp and paper market. The company obviously over-reached itself in gauging the future of the industry. When the reaction came, the company was launched on a program of great expansion which could not be justified by the conditions in the market. But, so far as the shareholders are concerned, the company was following a policy decided on by the directors elected to look after their interests.

We would agree with you that everything possible should be done to safeguard the interests of investors. The stability of industry and finance is based on confidence, and anything which undermines that confidence is dangerous to business and prosperity. But, on the other hand, governmental restriction on an industrial company, which would safeguard stockholders would render its operations difficult if not impossible as a business enterprise.

So far as the reorganization of the company is concerned, this is a necessary development. Naturally the bondholders have a first claim, and if there are not sufficient profits to pay bond interest, then they can exercise their rights under the mortgage. The bondholders gave an extension of time, however, and it is not they who have brought about the present bankruptcy proceedings. The bondholders in fact have given every possible concession, and recently the holders of one of the issues accepted preferred stock in lieu of their holdings and granted an extension for a number of years for the redemption of the bonds. Even under these conditions, however, it has not been possible to raise sufficient money to meet other claims.

We cannot see that it is a case for the federal government to interfere. Bankruptcy proceedings are taken under the laws of the country, and the shareholders have a say in appointing the liquidator. But the shareholders must realize that the company is indebted to a great many creditors who have given extension of time and also to the bondholders who have a first lien upon all the assets. The shareholders cannot expect to have control of the company until these prior claims have been satisfied.

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An investment in one of the following bonds, for instance provides safety, good interest, marketability and the prospect of reasonable appreciation as money becomes cheaper.

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Nova Scotia Tramways & Power General 7's	April 1, 1952	100	7%
Barrington Street Realties First Mortgage 7's	July 1, 1938	100	7%
(Legal investment Nova Scotia)			
Bathurst Company First Mortgage 6½'s	June 1, 1941	100	6.50%
Brandram-Henderson Consolidated 6's	Mar. 15, 1939	94½	6.60%
Canadian Salt General 7's	May 1, 1941	101	6.90%
Continental Paper Products First Mortgage 6½'s	Feb. 1, 1943	99½	6.55%
Drummond Investment First Mortgage 6½'s	May 1, 1938	99	6.60%
Stewart Terminals First Mortgage Serial 6½'s	May 1, 1925 to May 1, 1934	100 99½	6.50% 6.55%
Wabasso Cotton Mortgage & Collateral Trust 7's	May 1, 1942	100	7%

We shall appreciate your order for any of the above securities or we will gladly answer further questions concerning them.

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Town of Pembroke	1931	5.40%
City of Sault Ste. Marie	1935	5.50%
City of Sarnia	1936	5.40%
City of Edmonton	1953	5.70%

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WINNIPEG RAILWAY

The September earnings statement of the Winnipeg Electric Railway Co., shows gross amounting to $407,597 compared with $426,362 for the same month in 1922, a decrease of $18,765. Working expenses were lower by $15,859, and net earnings fell from $132,908 to $130,002. The aggregate gross for the nine months ending Sept. 30, at $3,923,197, were lower by $5,307, while the aggregate net at $1,173,966 declined $3,379.

NEWS AND VIEWS ABOUT BONDS

PRICES OF BONDS SHOW FIRMNESS; TRADING EXTENDED

Recovery From Month End Slump; Victory Bonds in Demand

At the close of last week bond prices were soft, a number of issues being offered at what were regarded as sacrifice prices. Some blocks of Ontario bonds were thrown on the market, due to the stringency of call money. Some of the banks ended their financial years on Nov. 30 and reduced loans to a minimum. However, with the turn of the month more buying appeared and a recovery in prices followed. The increased trading extended to Victory Loan issues and the prices of these rose, especially the tax-exempt issues. However the keen bidding of the first part of the week is not so noticeable now. Orders from private investors continue to come in a moderate volume. With little prospect of large issues for some time, the present firmness is expected to continue with a moderate strengthening of prices.

Bond prices in New York are on the whole firmer.

New securities issued there during November total $374,866,300, a gain of $157,944,550 compared with the same month in 1922. Most of the month's increase occurred in the railroad and public utility issues. According to the best authorities investors are beginning to turn from short-term securities to the long-term issues.

A number of municipal issues were sold during the week.

Award Carleton Bonds

Matthews & Company were awarded an issue of $142,800, 5½ per cent., 20 instalment debentures, of the county of Carleton, at 100.46. The money is costing the municipality approximately 5.43 per cent. The bids were as follows:

Matthews & Co.	100.46
W. A. Mackenzie & Co.	100.31
Municipal Bankers	100.27
Nesbitt, Thomson & Co.	100.27
Bain, Snowball & Co.	100.259
Bird, Harris & Co.	100.23
Burgess & Co.	99.83
Daly & Co.	99.63
Bell, Gouinlock & Co.	99.45
Dyment, Anderson & Co.	99.14

Lanark Sells Issue

The county of Lanark sold an issue of $100,000, 5½ per cent., 20 instalment bonds to Matthews & Company, Limited, at a price of 100.48, being a cost basis to the municipality of 5.43. Tenders were:

Matthews & Co.	100.48
Bain, Snowball & Co.	100.349
W. A. Mackenzie & Co.	100.32
Bell, Gouinlock & Co.	100.22
C. H. Burgess & Co.	100.22
MacNeill, Graham & Co.	99.98
R. A. Daly & Co.	99.63
A. E. Ames & Co.	99.33
Dyment, Anderson	99.17

An issue of $65,000 City of Three Rivers, 5½ per cent., 20-year bonds, was awarded to L. G. Beaubien & Co., Ltd., at a price of 98.80. The bids submitted were: :

L. G. Beaubien & Co.	98.80
Cie. d'Obligations et de Placements	98.2651
Versailles, Vidricaire & Boulais	98.22
Hanson Bros.	98.21
Rene T. Leclerc	97.75
Corporation des Obligations Municipales	97.52
Dominion Securities Corp.	97.347
McLeod, Young, Weir & Co.	97.17

Sell Meaford Bonds

The town of Meaford sold $32,000 of 5½ per cent., 20 instalment Hydro bonds to Homer Reid, E. N. Cooper and R. S. Brown at par, an additional block of $28,000 is being sold locally. The Municipal Bankers Corp. submitted a bid of 98.60 for the whole issue.

Pembroke Issue Sold

An issue of $45,000, 5½ per cent., 30-instalment bonds of the town of Pembroke debentures was sold to Bell, Gouinlock & Co., at a price of 99.83, the money costing the town approximately 5.51 per cent. Tenders were as follows:

Bell, Gouinlock & Co.	99.83
Wood, Gundy & Co.	97.83
Matthews & Co.	98.43
Dyment, Anderson & Co.	98.77
C. H. Burgess & Co.	98.91
Bain, Snowball & Co.	99.69
McLeod, Young, Weir & Co.	99.77
R. A. Daly & Co.	96.62
W. B. Brent & Co.	98.31

Buy Fonthill Bonds

An issue of $17,000, 5½ per cent., 30-instalment waterworks bonds of Fonthill, Ont., was awarded to Housser, Wood & Co., at 99.06, the money costing the municipality approximately 5.58 per cent. Tenders were:

Housser, Wood & Co.	99.06
Bell, Gouinlock & Co.	98.75
Harris, Forbes & Co.	98.12
Matthews & Co.	97.63
Mackay-Mackay	97.00

Offer Brampton Issues

Bain, Snowball & Co. purchased two issues of $15,000 each of town of Brampton, 5½ per cent., 10 instalment bonds at 99.64.

MacKay-MacKay purchased privately an issue of $14,000 town of Mount Forest 5½ per cent., 14-instalment bonds.

Capital Levy Would Ruin Credit of Britain

LONDON.—In the opinion of Samuel Montagu & Co., exchange experts, it is quite a matter of conjecture as to the level to which the £ sterling might sink should capital levy materialize or become even probable. The hope is expressed that the country will "turn a deaf ear to the specious promises of those whose wild projects, if put into operation, would ruin the Empire financially, and destroy, for an indefinite period, that confidence in British integrity and sound finance which has made London the financial centre of the world."

November Bond Sales

New Canadian bond financing in November totalled $18,319,632. Of this amount $18,087,632 was sold in Canada and $232,000 in the United States. The total for the eleven months ending November 30, was $517,876,370. The record for the month was as follows:

Municipal	$ 1,736,632
Provincial	9,000,000
Corporation	7,583,000
Total for November	$18,319,632
Where Sold	
In Canada—	
Municipal	$ 1,504,632
Provincial	9,000,000
Corporation	7,583,000
	18,087,632
In United States—	
Municipal	$ 232,000
Year to Date	
January	$37,890,162
February	51,758,746
March	23,609,657
April	18,218,469
May	22,279,363
June	41,216,162
July	30,326,983
August	1,991,400
September	*212,767,976
October	59,497,820
November	18,319,632
	$517,876,370

*Includes $200,000,000 Dominion Loan.

MELLON HAS SURPLUS AND SO CUTS TAXES

Big Reduction of Government Spending a Factor in the American Situation

From Our Own Correspondent.

WASHINGTON.—It is for the relief of business and the encouragement of industry that the tax revision program of Secretary Mellon in the United States is particularly planned and of course the reduction of taxes over there without similar reductions in Canada will further handicap Canadian commerce and industry. The reduction in the supertax as proposed in the Mellon plan, is, therefore, regarded as much more important than the general relief of the small taxpayers. For a short period the supertax yielded considerable revenue, but the productivity of the tax has been constantly shrinking, largely because the big fortunes have found in tax-exempt securities an easy and ready avenue of escape. The increasing volume of tax-exempt securities has thus been able to divert capital from productive employment in transportation and industrial enterprises and has directly contributed to the increasing cost of living through increasing the cost of financing.

It is worth pointing out, however, that the tax curtailment in the United States has followed reductions in governmental expenditures. For the second time in the last two fiscal years there is a governmental surplus of over $300,000,000. It is evident, therefore, that in the final analysis taxation relief in Canada will be the result of retrenchment in public spending on the part of the government.

ST. LAWRENCE HYDRO FEDERAL QUESTION

Graham Says that Ottawa and Washington Will Decide on the Development

From Our Own Correspondent.

OTTAWA.—It did not take Hon. G. P. Graham long after he got home to tell the public that no great power development on the St. Lawrence could be undertaken without the concurrence of the governments of Canada, the United States and Ontario. This is in line with the information published by THE FINANCIAL POST, which, indeed, has all along been well known to those in close touch with the situation.

Reports to the effect that there is likely in the near future to be an important development along the St. Lawrence by one government alone are not to be taken seriously. If the public wants buncombe it may accept statements to the contrary. Power developments along this great waterway may come more quickly than has been thought, but they will not come before the concurrence of all three authorities named by Mr. Graham is secured. To get that will be some task.

The statement that politicians will develop more power from the St. Lawrence in the next few years than the hydro-electric engineers still holds good. There is likely to be a fine display of one government scoring off another.

BOND MEN PRAISE REPORTS OF SASK. MUNICIPALITIES

Give Financial Statistics and Valuable Economic Information

Much comment is being heard in financial circles on the efforts made in some quarters to clear up the municipal debt situation in Western provinces. In Alberta the provincial government has taken a distinct stand in aiding municipalities to meet obligations created in past years. In Saskatchewan there is less evidence of any attempt to effect such settlements, but a movement of more than ordinary importance has begun to prevent the recurrence of such a situation. The provincial reports have been greatly clarified and improved. This has encouraged the municipalities to come out frankly and give creditors and bondholders a fair statement of their affairs.

As a result several Saskatchewan municipalities have issued full reports covering their operations for the first ten months of the year. Those of Regina and Moose Jaw have given rise to particular comment. In the case of Moose Jaw the financial details are given in a full and readable manner. In stating the debt, not only the funded debt but treasury certificates and current loans are included. Moreover, in making up the statement of net debt, the practice of omitting that on utilities on which statements are not available, is not followed.

In addition, a great deal of economic information is given, such as showing the changes over a period of years in population, school attendance, building permits, bank clearings, power plant output, street railway earnings, fire losses, etc. These enable anyone to judge of the future prospects of the municipality. In the words of one financial authority the report is worthy of careful study by all municipal officials.

Some details given in the report are:

Taxable assessment	$22,532,810
Bonded debt	6,201,594
Treasury bills	100,000
Sinking fund	1,274,694
Total revenue (10 mon.)	1,198,778
Total expend. (10 mon.)	1,010,233

The reports of several other towns have also been issued for the ten months ending Oct. 31. That of Indian Head covers current operations, stating that revenue for the period was $59,704 and expenditure $57,266. The debentures outstanding total $216,396.

In the case of the town of Biggar the receipts were $55,454 and expenditures $51,747. The debentures outstanding are $77,700, and the sinking fund $20,421.

Other statements give in part the following information:

Village of Provost—	
Receipts	$ 8,012
Disbursements	7,833
Bonds outstanding	5,200
Town of Whitewood—	
Revenue	$18,789
Expenditure	17,584
Outstanding debentures.	14,886
Town of Milestone—	
Receipts	$11,636
Expenditure	10,509
Debentures outstanding	15,766
Town of Alameda—	
Revenue	$ 6,879
Expenses	5,065

COMPTROLLER FOR VICTORIA

D. A. Macdonald, who was recently appointed city comptroller of Victoria, B.C., has had wide experience in municipal administration, particularly in Western Canada. He occupied several civic positions at Saskatoon, later becoming associated with a firm of chartered accountants in Vancouver.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	94	96
Amer. Sales Book 6's 1927	98	..
Ashdown Hard. 5%, 1928 c.	94	..
Brompton P. & P. 8% 1941	108	110
Can. Machinery 6's, 1940	72	..
Canada Salt 7's, 1941	100	102
Davies, Wm., 6's, 1942	85	87
Dom. Iron Steel 5's, 1939	68	70
Dunlop Tire 6's 1927	99	..
Dom. Sewer Pipe 6's, 1927	94½	..
Dominion Mfg. 6's, 1933	82	87
Eastern Car 6's, 1952	88	93
Harris Abattoir 6's, 1928	99	..
K. & S. Tire 7's, 1935	75	83
Lake Superior Pap. 6's, 1941	101½	..
Marcus Loew's 8% Notes	90	94
Mattagami Pulp 6's, 1937	64	68
Mattagami Pulp 7% deb.	28	31
Morrow Screw 6's, 1931	80	..
Neilson's, Wm., 6's, 1933	99	..
N. S. Steel, 6% deb.	79	82
Simpson Robt. 5's 1952	85	..
Spanish River 8's, 1941	106	107
Western Power 5's, 1949	86	88
Burns, P., 6½, 1943	96	99
H. Smith Paper, 7%, 1941	99	100
Manitoba Power, 7%, 1941	98	100
Massey Harris, 8% 1930	100	102

BOND MOVEMENTS OF THE WEEK

Week Ending December 4.

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range High	1923 Low	Latest Price Ask	Bid	High	Low
Canada Bread	6	1941	6.17	99	98½	100	96	98½	98	98¼	—
Can. Locomotive	6	1951	6.18	100½	99	99	96½	—	97¼	97½	—
Ced. Rapids	5	1953	5.32	97½	93	98½	93	97	95	95	—
Dom. Textile (A)	6	1925	5.60	101	97¼	100⅞	99¾	100½	—	100¾	—
Lyall Cons.	6	1932	7.70	85	75	97	85	89	—	89	—
Montreal Trams.	5	1941	5.95	93½	87½	96½	88½	89	—	89½	89
Ogilvie	6	1932	5.40	102½	100	104	102	104	—	104	—
N. S. Steel	5	1959	6.05	90	78½	92	82¾	85	—	84⅝	—
Penman's	5	1926	6.65	94¾	90	97	93¾	95½	95	95½	—
Quebec Rly.	5	1939	6.75	87¼	65½	83½	68	83	81½	83	—
Sher. Williams	6	1941	5.80	100	96	102½	99	—	102	102¼	—
Steel of Can.	6	1940	5.90	100¾	97	102½	99	102	100	101	—
Wayagamack	6	1951	8.10	88¾	71¾	86¾	75	—	75½	75½	—
War Loan	5	1925	4.90	96.30	96.10	100.95	99.10	100.30	100.20	100.05	99.80
Do.	5	1931	4.95	99.60	96.25	101.80	99.80	100.45	100.35	100.25	100.00
Do.	5	1937	4.77	101.50	99.50	103.30	102.00	102.50	102.35	102.53	102.00
Victory	5½	1924	5.34	100.75	99.80	101.65	99.80	100.25	100.15	100.10	99.85
Do.	5½	1927	4.90	102.70	99.70	103.50	101.60	102.25	102.15	102.15	101.60
Do.	5½	1933	4.88	104.35	101.25	106.70	104.15	104.95	104.85	105.00	104.15
Do.	5½	1934	5.25	101.35	98.30	103.90	101.30	102.10	102.05	102.75	101.45
Do.	5½	1937	4.80	106.35	103.00	108.45	106.25	107.20	107.05	107.05	106.35
Do,. Renewal	5½	1927	5.26	101.10	99.40	102.80	100.75	101.00	100.85	101.00	100.75
Do., Renewal	5½	1932	5.30	101.00	99.70	103.15	100.80	101.55	101.45	101.25	101.00
Do., Refund	5	1928	5.21	.....	.....	99.70	98.80	99.20	99.10	99.30	99.05
Do., Refund	5	1943	5.15	.....	.....	99.25	97.90	98.25	98.20	98.30	98.10

NEW ISSUE
Province of Ontario
5% Bonds
Due 15th October, 1948
price 98 and accrued interest
yielding 5.14 %
Matthews & Company
Limited
Toronto General Trusts Building,
255 Bay St., Toronto

Government
Municipal Bonds
Unlisted Stocks
Bonds
Bought—Sold—Quoted
Our Mining Department has a complete Statistical Bureau.
Write us for information.
BALFOUR, WHITE & CO.
LIMITED
Investment Bankers,
136 St. James Street, MONTREAL.

McDonagh Somers & Co.
Government
and
Municipal Bonds
Dominion Bank Building
TORONTO
Canada

FOUNDED HB 1883
1934
5½%
Victory Bonds
These Bonds are, in our opinion, the cheapest Dominion Government Taxable Bond on the market.
We have accumulated a large amount of this issue and recommend it as an attractive investment.
Prices and full particulars will be gladly furnished. Write, call or telephone.
HANSON BROS.
Investment Securities
160 St. James St. Montreal
65 Sparks St. Ottawa

We own and offer
Canadian Northern Railways.
5% INCOME
DEBENTURE STOCK
Due May, 1930
By purchasing this stock at present levels investors will obtain an increase of about 88% in capital in 6½ years.
The security is a property owned and operated by the Government of the Dominion of Canada.
This opportunity should not be overlooked.
C.C. SMITH & COMPANY
LIMITED
Investment Bankers
17 St. John St. Montreal
'PHONE · MAIN · 412

Let
Collateral Certificates
Protect You
The matter of business failures is of grave importance to you; more so, is the means of ensuring freedom from the losses entailed.
Write for booklet, "Lessening Credit Losses."
MERCANTILE BONDS LIMITED
Temple Building
BRANTFORD, ONT.

FOR
BOND QUOTATIONS
SEND TO
Toronto Bond Exchange
LIMITED
DOMINION BANK BUILDING
KING & YONGE ST., TORONTO

Your Home and Office Need Genuine

ORIENTAL RUGS

They are everlasting, satisfying, exquisite in colouring and moderate in price when bought from

BABAYANS Ltd.

Canada's Largest Direct Importers
King & Victoria Streets
Toronto

TOWN OF OSHAWA
TENDERS FOR DEBENTURES
(Provincial Guaranteed)

TENDERS addressed to the undersigned will be received up till 4.30 p.m., Wednesday, December 12th, for $200,000.00, 5½%, 20 instalments, Housing Debentures, maturing December 1st, 1924 to 1943. Interest payable annually December 1st.

The bonds are payable at Oshawa and are guaranteed both as to principal and interest by the Province of Ontario.

Accrued interest to be added to price on delivery. Delivery and payment to be made at Oshawa.

Highest or any tender not necessarily accepted.

P. A. BLACKBURN, Town Treasurer.

Southern Canada Power
Company, Limited

TENTH ANNUAL REPORT

Year Ending, 30th September, 1923

W. C. HAWKINS - - - - - *President*
JAS. B. WOODYATT - *Vice-President & General Manager*

Directors

W. K. BALDWIN, M.P. A. J. NESBITT JAMES DAVIDSON
GEORGE PARENT, K.C., M.P. J. S. GILLIES CHAS. E. READ
W. C. HAWKINS J. M. ROBERTSON W. H. MINER
HARRY SIFTON LIEUT.-COL. J. R. MOODIE
JAS. B. WOODYATT

L. C. HASKELL - *Secretary-Treasurer*

Consolidated Operating Statement

For Years ending 30th September

(After Eliminating all Inter-Company Charges)

	1921	1922	1923
Gross Earnings	$753,959	$843,565	$953,970
Purchased Power	78,685	85,406	111,128
Operation	215,067	216,075	222,702
Taxes	15,752	24,547	28,955
Maintenance	65,405	59,635	59,956
	374,909	385,663	422,741
Net Earnings	379,050	457,902	531,229
Bad Debts	429	985	3,117
Interest	287,886	306,847	275,057
	288,315	307,832	278,174
Surplus for year	90,735	150,069	253,055
Surplus brought forward	265,898	338,353	58,511
	356,633	488,422	311,566
Preferred Dividends Paid	18,280	19,911	82,160
Transferred to Depreciation Reserve	....	410,000	102,000
	18,280	429,911	184,160
Surplus carried forward	338,353	58,511	127,406

Customers Connected

1915	1916	1917	1918	1919	1920	1921	1922	1923
2,608	3,270	7,002	8,063	9,002	10,557	12,240	13,249	15,066

A CUSTOMER OWNERSHIP COMPANY

IN October, 1923, the Company opened a 10 days' campaign to sell 4,000 shares of the Preferred Stock to its customers. This, the second annual campaign, was closed in two and a half days and the issue oversubscribed. 5,496 shares were sold to 1,769 customers. In 1922, 2,358 shares were sold to 932 customers.

Montreal Expenditures Will Total $26,250,000

From Our Own Correspondent.

MONTREAL.—Montreal's executive committee has prepared the year's budget, calling for expenditures of $26,242,358. This is a big increase over last year's expenditures of $24,644,631.

To Reduce Vancouver's Fixed Charges in 1924

There will be a net reduction in the city of Vancouver's annual fixed charges next year of approximately $200,000, even if all the money bylaws to be submitted in December, aggregating $410,000, should carry, according to calculations made at the city hall. Maturing debentures paid off during 1923 will reduce the fixed charges by $244,000, the records show, but the sum of $21,960 was added this year to pay for bylaws amounting to $275,000 passed last December, so that the net reduction will amount to $222,039.

The importance of this to the ratepayer is only brought home when it is realized that this is bound to mean a reduction in his taxes amounting from 1 1-3 to 1 1-2 mills.

Bylaws to Be Submitted

The amounts which each of the four bylaws to be submitted in December will add to the annual fixed charges are:

Cambie bridge reconstruction, $120,000, 40 years; fixed charges, $7,262.

Kitsilano bathhouse, $50,000, 40 years; fixed charges, $3,026.

City's share of local improvements, $200,000, 15 years; fixed charges, $19,988.

Addition to city hall, $40,000, 15 years; fixed charges, $3,997.

THE BIG INCOMES PAID THE BULK OF THE INCOME TAXES

(Continued from page 1)

$680,108; New Brunswick, $596,164; P. E. I., $57,816 and the Yukon, $34,680.

That in some of the provinces the tax is hardly worth the expense of collecting may be seen in the fact that the average collection on personal income in P. E. I. was only $66, while in the Yukon it was only $47.

Ontario and Quebec

There are only 50 persons outside of Ontario and Quebec that paid on an income of $50,000 or more; 26 of these were in Manitoba and 11 in British Columbia.

Ontario with 120,668 had the largest number of personal income tax payers; Quebec came next with 49,667; Manitoba, 26,921; Saskatchewan, 20,507; British Columbia, 26,229; Alberta, 18,509; Nova Scotia, 9,432; New Brunswick, 7,632; P. E. I., 873. In Ontario, 61,808 of those who paid on personal income paid on between $1,000 and $6,000.

Between personal and corporation income taxes Ontario and Quebec last year paid $47,298,425 out of a total of $59,711,562; that is to say the rest of the country paid less than $14,000,000. The corporations paying numbered 6,010, of these 2,483 were in Ontario and 1,153 in Quebec. Ontario paid the largest amount in corporation tax with $11,909,842, with Quebec next, $11,055,157.

CIVIC AND PROVINCIAL FINANCE

OPPOSE REJECTION OF LOWEST TENDER BY CITY COUNCIL

Research Bureau Believes Action in Unfair and Dangerous

Strong opinions have been expressed concerning the action of the Toronto City Council in calling for tenders for water pipe, and later rejecting the lowest tender made by a British firm, on the grounds of encouraging local industry. As the action may be taken as establishing a policy, many regard it as both unfair and dangerous.

In an open letter to the mayor, controllers and aldermen, the Citizens' Research Bureau opposes the rejection of the lowest tender on two grounds—that it discriminates unfairly and that it raises costs. The Bureau declares:

"After bids have been called for, without limiting bids to Toronto firms, every tenderer has a right to expect fair and equal treatment, unless he has been expressly told that the success of his tender, even if the lowest, is not probable, or unless he is told just how much advantage his Toronto competitors are to be granted. The time to adopt the policy of patronizing 'home industries only,' was before tenders were called for. Morally, though not legally, by receiving bids from outside, the city tacitly promised to give them equal opportunity with all others."

The bureau points out that the temporary increase in employment due to awarding the pipe contract locally is offset by the possibility of future reprisals.

The letter further maintains that the position of the home owner is prejudiced by the higher prices paid under such a policy, especially since large contracts will of necessity be let in future years to provide for expansions. It says:

"Working men who pay taxes will share with all other taxpayers the added burdens which come from paying more for material than is necessary in open competition. Working men who pay no taxes will share with the other non-taxpaying citizens in the burden of the increased cost of living due to increased cost of municipal government."

The Bureau maintains also that the adoption of this plan opens the way for a wholesale patronage system, which is likely to follow.

Mortgage Holders Object to New Tax Recovery Act

From Our Own Correspondent

EDMONTON.—Further exception is being taken by the mortgage interests in Alberta to the procedure being followed by the provincial government in respect to the seizure under the Tax Recovery Act of lands in arrears for taxes. The new act of 1922 provides for notice of impending sale to be sent only to the registered owner instead of to each of the parties interested in the way of mortgages, judgments, etc., and the mortgage companies are objecting that this gives no opportunity for investors to protect themselves against the sale of lands on which they have made loans. The effect, they say, is to make Alberta by so much the more an undesirable field for investment.

In answer to this objection, the government points out that provision is made in the act for the advertisement of every such parcel of land in the Alberta Gazette and that in this way sufficient opportunity is afforded for mortgagees to protect their interests and to follow the processes of law. The reason for the change from the former system was, in the main, that the sending of notices to all interested parties had become, because of their large numbers, exceedingly burdensome, costly, and often ineffective, for even with the use of registered mails the addresses were frequently not located.

The government also considers that it has gone as far as possible in the way of leniency by deferring the seizure of lands, both by itself and by the municipalities, until December 1. This was done in order that delinquent land-owners might be able to market their crops, and, as a matter of fact, considerable activity in the redemption of delinquent lands has been reported as a result.

Revenues at Victoria Will Exceed Estimates

From Our Own Correspondent.

VICTORIA.—The revenue of Victoria, B.C., has exceeded the estimates by $22,000 this year, according to City Treasurer Smith.

Of the tax levy of $1,744,118, the city has so far received $1,401,827 in taxes.

Arrears of taxes and interest received and for which no provision was made in the estimates amount to $217,609. It is hoped to get another $20,000 in land and improvement taxes by the end of the year.

The 1922 tax arrears have come in better than is usual, about fifty per cent. having been received.

Eighty-one per cent. of the current taxes were collected up to Nov. 20, as compared with a total collection of 86 per cent. in 1922.

Vancouver May Adopt City Manager System

From Our Own Correspondent.

VANCOUVER.—The organization of a Central Citizens' committee with the purpose of introducing the city manager system of government in Vancouver similar to that already in vogue in a large number of cities, was effected recently.

The proposal is to draw up a slate of candidates pledged to introduce the city manager plan next year. The Central Citizens' committee is comprised of representatives from every ward in the city, from ratepayers' associations, the Women's Civic league and the Associated Property Owners of Vancouver.

SUDBURY ACCOUNTS ARE IN BAD MUDDLE

Report of Government Auditor Reveals Dangerous State; Taxes Paid Twice

From Our Own Correspondent.

SUDBURY.—Severe criticism has been levelled at the municipal accounting system at Sudbury by the report of the government auditor. While no defalcation in funds was found the methods used are termed "absurd."

Some facts given in the report are:

"The treasurer had not kept a proper balance of his books.

"With one possible exception, the treasurer had not made a trial balance any year during the period under review.

"Previous audits had pointed out the unsatisfactory condition of the town books and previous councils had taken no action.

"Balance sheets prepared in 1921 were worthless. Assets and liabilities were incorrectly stated.

"The banking methods of the town are incomplete. It is almost impossible to segregate capital and revenue income.

"The housing commission books were in a mess.

"The tax collector had turned in $2.75 more to the treasurer than he had collected.

"The water and light department has bills receivable of some $3,000, some of them running back a considerable time."

Other accounts are so muddled that it is impossible to gain a clear knowledge of their contents. One Sudbury ratepayer, for instance, paid his taxes of over $500 twice.

The sinking fund has not been properly maintained.

Certain debenture issues were sold on behalf of the school board and amounts exceeding the proceeds were turned over to the board.

That affairs would be allowed to drift into this condition is scarcely believable and those interested in the municipality will expect the council to take measures to have it remedied at once.

Tenders and By-Laws

TENDERS WANTED

Dec. 12, Erin.—$40,000, 6%, 25-yr., instal., school debentures. Wm. Conboy, Clerk. (See announcement on page 16).

Dec. 14,—Fort Erie.—$35,000, 5½%, 30-instal. debentures. A. E. Seaton, clerk.

BY-LAWS PASSED OR DEFEATED

London.—$750,0000 for City Hall and new dam, defeated by the ratepayers on Dec. 3.

Guelph.—$25,000 for war memorial, defeated by the ratepayers on Dec. 3.

St. Catharines.—$30,000 for erection of grand stand, defeated on Dec. 3.

St. Thomas.—$40,000 for erection of market building, defeated on Dec. 3.

Niagara Falls.—$16,000 for motor truck, carried by the ratepayers; $30,000 for rink, defeated; $15,000 for athletic field, defeated on Dec. 3.

Port Colborne.—$78,000 for new water system, passed by the ratepayers on Dec. 3.

Pembroke.—$75,000 for construction of bridge, passed on Dec. 3.

BY-LAWS TO BE VOTED ON

Dec. 12, Vancouver.—$410,000 for various improvements.

Dec. 10, Rosetown, Sask.—$50,000 for hospital purposes.

Jan., Fort William.—$373,000 for various purposes.

SASKATCHEWAN

Authorizations granted by the Local Government Board from Nov. 16, to Nov. 22nd, 1923.

Stoney View.—$1,000.

Telephones—Hohenloe, $725; Ivanhoe, $400; Guernsey, $1,650; Range Line, $600.

Debentures Reported Sold

Schools—Stafford, No. 4540, $4,000, 10 yrs., 7%, Nay & James, Regina; Bengough, No. 978, $6,000, 20 yrs, 6½%, Cross & Co., Regina; Swinton, No. 4545, $3,800, 15 yrs., 7½%, Cross & Co., Regina; Ridgedale, No. 4507, $11,500, 20 yrs., 6½%, Waterman, Waterbury & Co., Regina.

Telephones—West Graytown, $950, 15 yrs., 7%, W. J. Patterson, Winthorst; Lac Pelletier South, $3,500, 15 yrs. 7%, Cross & Co., Regina; Wauchope, $750, 15 yrs., 7%, Regina Brokerage & Invest. Co.

DEBENTURE NOTES

QUEBEC.—Notice is given of the intended incorporation of the parishes of Ste. Hermenegilde, Montreal; of the protestant school trustees of Lachine, Lasalle and Dorval.

MONTREAL.—The Montreal Catholic School Commission is asking power to borrow $6,000,000.

TORONTO HYDRO RATE DOUBLES MONTREAL

Public Ownership Keeps Domestic Light Bills Down at Expense of Water Rates

From Our Own Correspondent.

MONTREAL.—Compared with a sliding charge from $42 to $57 per horse power by the Hydro Commission in Toronto, as described in THE FINANCIAL POST last week, the Montreal Waterworks Department is charged only about $25 per horse power by the Montreal Light, Heat and Power Company.

Under public ownership in Toronto the power bill of the city's water customers is therefore about double that in Montreal under private ownership. It should also be taken into consideration that while in Toronto the Hydro returns nothing of the amount paid in taxes the Montreal Light, Heat and Power Company pays into Montreal's treasury the sum of $130,000 or $140,000 a year in addition to the amounts to the provincial and Dominion governments, totalling in all well over $1,000,000 a year.

It is evident from this information that Toronto is following the usual course favored under public ownership of making the light bills, where the individual sees what he is paying, attractive while running up the charges where power is paid for indirectly as in the power bills.

Regina's Commissioner Issues Taxation Report

From Our Own Correspondent.

REGINA.—In accordance with a policy adopted some time ago the City Commissioner of Regina has issued a ten months' statement of the city's affairs, which is published in full in the local papers. It says in part:

"For this year we have designed our report to give special prominence to the question of assessments and taxation. The map of the city submitted shows approximately the different areas for assessment purposes and the statistics accompanying it show the assessment of vacant land, improved land and buildings in each of the divisions.

"As will be noted in the statement the city council's share of the general tax levy is 41.53 per cent. and this includes 5.05 per cent. of tax arrears provision. This, we believe, is the lowest percentage of the general tax expended by the council in the history of the city. In every department the most careful economy has been practised without neglecting the essential public services."

Frontenac County Levy Will Not Meet Deficit

At a meeting of the Frontenac county council, a statement was presented showing that there was a deficit of $3,907.27 carried over from last year and that the deficit for 1923 will be about $6,660, thus making a total deficit of over $10,000 for the two years.

Last June the finance committee recommended a levy of 12 mills but the council set this at 11 mills. Some criticism of this action, which caused the deficit, has arisen, as it is claimed that the sound policy is to meet the situation and wipe off the debt.

Money Grants Switched By Board of Education

Strenuous objection has been made in some quarters to unbusinesslike procedure in the use of funds by the Toronto Board of Education. Investigation discloses the fact that prior to 1923 it was customary for the Board of Education to take part of an appropriation for a certain building and apply it to another building. On the request of the city, the board recently compiled a list of such transfers in the capital account, covering a period of about three years up to December 31, 1922. The money involved in these transfers amounts to about $250,000.

This is said to be due to a dearth of business men on the board, who would insist on a strict application and accounting of moneys, as in the case of their own business. The result of the present situation is that when the Board asked for more money the council has no means of determining the need for the expenditure, for which it is responsible.

The difficulty has brought forth suggestions for a re-organization, with an administrator or chief executive officer having all officials of the department directly responsible to him. In this way the council could demand an accounting and place the responsibility for giving this.

GIVE AID TO ST. JAMES

WINNIPEG.—Temporary assistance is being given to the municipality of St. James, Manitoba, which is in financial difficulty. The Manitoba government will guarantee borrowing from the bank for the balance of the year. The trouble arose out of the difficulty in collecting taxes from owners of vacant lands.

The revenue for the first ten months of this year totalled $791,645, including 1923 tax collections of $239,327 and arrears of taxes amounting to $159,340. Current liabilities are $580,835 and capital liabilities total $1,756,189.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place	Sold To—	Rate	Term	Amount	Price	Basis
Nov. 22	Sask. Schools, etc.	Various	..	..	$ 30,500	..	..
Nov. 29	Carleton County	Matthews & Co., Toronto	5½%	20-ins.	142,800	100.46	5.43
Nov.	Lanark County	Matthews & Co., Toronto	5½%	20-ins.	100,000	100.48	5.43
Nov. 28	Pembroke	Bell, Gouinlock & Co., Toronto	5½%	30-ins.	45,000	99.83	5.51
Nov.	Mount Forest	Mackay & Mackay, Toronto	5½%	14-ins.	14,000	..	..
Nov.	Fonthill	Housser, Wood & Co., Toronto	5½%	30-ins.	17,000	99.06	5.58
Nov.	Brampton	Bain, Snowball & Co., Toronto	5½%	10-ins.	30,000	99.64	..
Dec. 3	Three Rivers	L. G. Beaubien & Co., Montreal	5½%	20-yr.	65,000	98.80	..
Nov. 29	Meaford	Homer Reid & Syndicate	5½%	20-ins.	32,000	100.00	..
Nov. 29	Meaford	Locally	5½%	20-ins.	28,000	100.00	..
		CORPORATION					
Nov. 30	Lovatt Steamship	Royal Securities Corp., Montreal	7 %	ser.	165,000	100.00	..

We deal in—

Belgo Paper 6's 1943
Belgo Paper 7% Pref. Shares
Quebec Power 6's 1953
Wayagamack 6's 1951
St. Maurice Power 6½'s 1953
Montreal Public Service 5's 1942
Montreal Public Service 6½'s 1924
Montreal Tram Power 6½'s 1924
Manitoba Power 7's 1941
Int. Milling 7% Pref. Shares

Also Bonds of Provinces and the larger Canadian Cities

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
116

DOMINION of CANADA
(Can. Nat. Rly. Equipment)
5%
BONDS
Due—1933 & 1937

These bonds represent a direct obligation of the Canadian National Railway, and are guaranteed unconditionally as to principal and interest by the Government of the Dominion of Canada.

PRICE: To yield 5.25%.
Particulars upon request.

HOUSSER WOOD & CO.
INVESTMENT BANKERS
10-12 KING ST. E. TORONTO

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 8293 - TORONTO

GOVERNMENT
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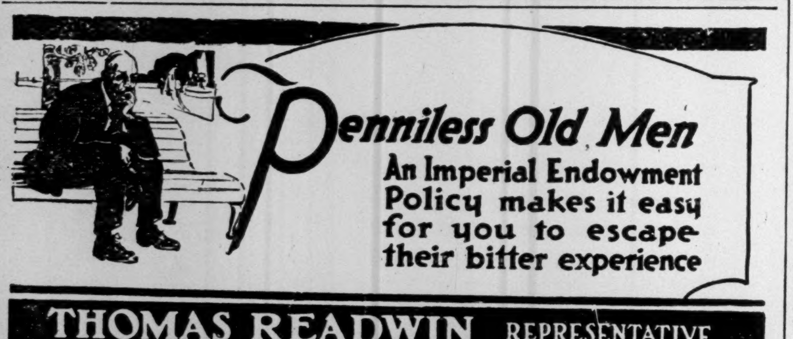
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NOTICE IS HEREBY GIVEN that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation has been declared and that the same will be payable
WEDNESDAY, THE SECOND DAY OF JANUARY,
next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board,
WALTER F. WATKINS, Secretary.
Toronto, November 21st, 1923.
CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street, Toronto
Established 1855

GREAT WEST LIFE DRIVE

The Great West Life Assurance Co. held a special sales campaign during November, in honor of Alexander Macdonald, president of the company. Mr. Macdonald is still a strenuous worker at eighty. The objective set was a birthday card accompanied by an application from every agent.

INSURANCE LICENSES

The Law Union and Rock Insurance Co. has been granted a license to transact guarantee insurance, and a license has been issued to the Local Government Guarantee Society, authorizing it to transact in Canada the business of fire insurance. Arthur Barry, Montreal, has been appointed chief agent in Canada.

INSURANCE FOR BUYER AND SELLER

CANADIAN BONDS ARE FAVORED BY LIFE COMPANIES

Insurance Presidents Given Analysis of Investments and Growth

The part which life insurance investments have played in marshaling the capital of the United States and Canada, and using it to further developments in many fields, was vividly described by F. H. Ecker, vice-president, Metropolitan Life Insurance Co., at the convention of the Association of Life Insurance Presidents, in New York City recently. He said:

"Given an assurance of safety and a fair rate of interest, life insurance investments may, and do, cover a range which is nation-wide, and whose character responds to the legitimate requirements of public, semi-public and private enterprises, corporate and individual. Such investments preponderate now here, now there, now in one class of enterprise, now in another. And so it is that the American public has come to recognize insurance investments as a veritable barometer of national confidence—a delicate instrument recording from year to year the points of high and low pressure."

Assets Increase Rapidly

Commenting on the phenomenal growth of insurance, he continued:

"Let us turn back to 1902, practically twenty years. At that time the total amount of the admitted assets of United States life insurance companies had just passed two billions of dollars. At the end of 1922, their assets had increased to more than eight and a half billions of dollars. This means that their assets, the sums which they must keep continuously invested, have considerably more than quadrupled in the past twenty years.

"Note the tremendous growth of those assets in the last few years. In round numbers, $500,000,000 was added in 1920, $600,000,000 in 1921, and $700,000,000 in 1922."

The analysis of the investments of companies covering 94 per cent. of the total, as given by Mr. Ecker, reveals a wide distribution of funds. He said:

"Turning now to the manner in which life insurance funds are at work, we find that each of four classes of securities now exceeds a billion dollars in amount. The largest comprises $2,860,000,000, in round figures, invested in real estate mortgages, constituting 35.24% of the whole. Railroad securities, interstate and intrastate combined, aggregating $1,851,000,000, or 22.82% of the total, are second in amount. Government, state, county and municipal bonds, amounting to $1,458,000,000, or 17.97% of the total, come third. Policy loans, totalling $1,044,000,000, or 12.87%, stand fourth."

The investments in Canada by British and foreign companies operating here, and of Canadian companies, show a greater preference for bonds. According to the 1921 report of the Dominion Superintendent of Insurance, $330,667,094, or approximately 53 per cent. of the assets, were invested in bonds, made up chiefly of Dominion, provincial and municipal issues. On the other hand, $128,945,451, or less than 21 per cent., was placed in real estate loans.

Favor Canadian Bonds

In spite of the fact that investments in state, county and municipal bonds decreased three-quarters of one per cent., during the past year, investment in the Dominion, provincial and muncipal bonds of Canada increased by some 40 millions, or 25 per cent. By way of comparison, the speaker continued:

"A decrease of nine millions has reduced the aggregate of foreign investments to ninety-four millions, or 1.16 per cent. of the total admitted assets of the companies. By way of contrast, since the year 1919, from which separate statistics date, total investments in Canadian securities have risen from one hundred and thirteen millions to two hundred and one millions."

COMPANY INSURES EXECUTIVE OFFICERS

Term and Life Policies Totalling $100,000 Placed by Bush English China Co.

What is regarded as an added security for the purchasers of the bonds of the Bush English China Co., now being sold, is the fact that two life insurance policies have been placed on the lives of H. F. Bush, president; and C. Jackson, general manager. The company is locating its plants at Port Hope and part of the financing is being done by means of a first mortgage bond issue.

Like many other companies, the company's success depends to a great extent on the activities of the two men mentioned above. Consequently they are regarded as assets which merit protection in the same manner as buildings and other property. Should either die, the earnings of the company would be affected, at least until a suitable substitute had been found, and became established in the business. To provide against such a contingency policies aggregating $100,000 have been placed, partly on the term and partly on the ordinary life plan.

In this case the company is the beneficiary and the bondholders benefit in common with the stockholders. In some other cases the bondholders are made beneficiaries direct, the trust company having the bond mortgage holding the policy in trust as well. The use of insurance policies in this way has been growing rapidly in recent years, especially in cases where the business centred particularly around one or two men. A similar use is found in partnerships where each partner is insured. This enables the remaining partners to pay out in cash the amount of a deceased partner's interest in the business to his heirs.

Life Insurance Co. Must Pay $50,000 Death Claim

The attitude of the courts in respect of life insurance applications has been to expect companies to discover any misrepresentation before a claim arises rather than after. Consequently, companies have experienced difficulty in resisting claims on the grounds of misrepresentation.

A decision has been given against the Mutual Life Insurance Co. in favor of the Ontario Metal Products Co. by the Supreme Court. The president of the latter company insured his life for $50,000 in favor of his company. About two years later he died and the insurance company refused payment of the policy on the ground that his physical condition had been misrepresented in replies to questions in the application.

When an action was brought, it was claimed that deceased had cancer in advanced condition and had been under treatment for anaemia, which facts were not disclosed in the application. The Metal Products Company succeeded at the trial, but its action was dismissed by the Appellate Division.

DAILY FATALITIES INDICATE NEED OF ACCIDENT POLICIES

Motor Accidents Heaviest in October, Claims of Insurance Company

The October report of an insurance company operating in Canada and the United States shows that nineteen policyholders were killed in accidents during the month. The ages of the victims varied from 19 to 68, with a preponderance of middle-aged business and professional men. Perhaps this is accounted for by the fact that nine accidents were due to automobiles. In one of these there were eight other people killed as well as the insured. In one case, a Chicago manufacturer and his family were on a holiday tour in Canada, when the car skidded on a freshly-graveled road, and turned over into a ditch. His insurance amounted to $7,500.

Several deaths were due to hunting accidents. In one case a retired manufacturer of Brantford, Ont. died through the discharge of his gun in climbing over a stump fence. His beneficiaries secured payment of $15,000 in settlement of his accident insurance policy.

The largest claim of the month was $22,500 on an American consulting engineer, who was visiting Japan. He was buried in a landslide during the recent earthquake.

An analysis of the list indicates the increased dangers in the modern tendency to travel a great deal. As the accidental death is sudden, the financial embarrassment of the victim's family and business associates may be more acute. This, and the fact that the premiums are comparatively low, has been responsible for the rapid development of accident insurance in recent years. The insurance is designed only to protect against accidents. If the insured does not die from an accident during the term for which the premium was paid, the contract ceases, there being no equities, such as cash surrender values, etc.,

A new development is the issuing of double indemnity and disability insurance as an addition to life insurance policies. The former provides for payment of double the face value of the life policy if death occurs as the result of an accident. The latter relieves the insured from the payment of future premiums on the whole policy in cash of total disability from an accident or sickness, and provides for the payment of a specified sum monthly. In this class of business there is an evident danger in determining what constitutes total disability. On the one hand, the interpretation would demand the complete incapacity of the insured to engage in any occupation. Yet it is clear that border-line cases open the way for the dispute, and it is felt that companies will place a lenient interpretation on the clause to avoid adverse publicity in such cases.

Insurance Agent Loses $50,000 Application

To avoid under-estimating the purchasing power of a prospect is a matter of concern to life insurance salesmen and sales executives. With the prosperity of the war years and the increased appreciation of life insurance benefits many men increased their insurance to limits not previously thought of. Agents began to suggest larger sums and in the end the size of the average policy has exhibited a tendency to increase.

A practice has sprung up of securing an application for a certain amount and having additional amounts issued on the chance of being able to place them. That this is not always a safe plan is illustrated by a recent occurrence. The agent of a Canadian company secured an application for $25,000 of insurance from a business man. He had additional insurance issued but when he came to deliver the policies, he found the agent of another company had sold the prospect another $50,000 policy on the strength of the first medical examination.

In another case an agent had secured a partial promise of a $50,000 application, but not the actual application. Another agent of the same company secured the application shortly after and also the commission, before the first man closed the business. The wise agent says in such cases, "Get his name on the dotted line."

WILL INVESTIGATE POSSIBILITIES OF CROP INSURANCES

Vice-President of Aetna Companies Emphasizes Farmers' Risks

A thorough investigation of general crop insurance possibilities will be started shortly by the Automobile Insurance Company of Hartford, a member of the Ætna group. Victor N. Valgren, economist in charge of the Division of Agricultural Finance United States Department of Agriculture, has been obtained to head the new department, which the company will establish December 1 to conduct the investigation.

Mr. Valgren is one of the foremost agricultural experts in the United States, and has been connected with the department of agriculture since 1915.

Charles H. Remington, vice-president of the Ætna Affiliated Companies, discussing the application of insurance principles to the farmer's hazards, recently pointed out, in connection with the study to be made by Mr. Valgren, that while the business of farming involves many risks, the farmer has been left to face them with nothing more substantial than the comparatively meagre reserve he may have accumulated in his more prosperous years; and that when crop misfortune does overtake him, the savings of a life-time frequently are swept away in a season.

"It is not strange," he maintained, "that the farmer should wonder why the protection afforded by insurance should be denied him; particularly when he notes that almost every form of loss faced by those in commercial pursuits is insurable. With but negligible exceptions the only insurance protection the farmer has been able to procure is that against loss through hail storms."

Mr. Valgren will study the farmer's problem from every angle, and attempt to devise insurance coverages protecting him from such hazards as deficient or excessive moisture; from storms and frosts; from hail and hot winds, and from various insect and animal pests.

These investigations will be of particular interest in Western Canada, where experience has shown that many risks must be borne by the farmer before his crop is finally disposed of and the returns received. Hail insurance is the class which has had the most substantial development outside of fire insurance as a protection to farmers.

EXTEND DOCTORLESS PLAN OF INSURANCE

Sweden Has Further Schemes For Insurance Without Medical Examination

From Our Own Correspondent

MONTREAL.—The writing of life insurance without medical examination, and based only on the declaration of the applicant as to the state of his health, has for many years been carried on with great success by Swedish life insurance companies, although it is only of late years that Canadian companies have taken up the plan. One of the several different types of this form of insurance which have thus far been used provides that if death takes place the first year from causes other than accidental, only the premium paid is refunded, and in the case of death during the second year 50 per cent. of the face value of the policy.

Recently a particularly significant measure for the development of life insurance has been adopted by nine Swedish life insurance companies, who have agreed to immediately apply the following regulation for insurance without medical examination: All persons who have not yet reached the age of 50 years may obtain such insurance for a maximum sum of 10,000 crowns under the same conditions as though examination had taken place. For amounts exceeding 10,000 crowns, or for persons over 50 years of age, the following applies: If death takes place from causes other than immediate causes of accidents within two years from date of coming into force of the policy, only as many twenty-fourths of the insurance sum is refunded as the number of insurance months elapsed; however, in no case will a sum less than the amount of premiums paid be refunded.

In view of statistics showing that the non-examined, on the whole, show the same mortality as those who have been examined, the companies have good reason to anticipate a favorable result of the new insurance reform.

Life Companies Consider Public Health Campaigns

Should life insurance companies pay more attention to public health campaigns? Much discussion of this question has been indulged in recently. The Metropolitan Life Insurance Company has spent millions of dollars in health work in the United States and Canada. Officials of the company state that it pays them to do this aside from any altruistic considerations.

It was discussed at the annual meeting of the Life Officers' Association in Toronto recently, when the work of Dr. Hill, director of the Institute of Public Health, London, Eng., was commended. In order that Canadian companies can contribute to campaigns, legislation will be necessary, widening the field of investments. The matter was left over for consideration by the executive at a subsequent meeting.

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Story of The Regent Knitting Mills is One of Amazingly Rapid Progress

Owned entirely, in Canada, this company employs 600 workers and is one of the most important institutions in its field in Canada--- Rapid growth since 1913

Organized with modest capital by present chief owners

TWENTY MILLION DOLLARS is invested in the knit goods industry of Canada and more than ninety per cent. of that total represents Canadian money. Few industries are more thoroughly Canadian in their ownership and control than the knit goods industry.

One of the most interesting operators in this broad field is the Regent Knitting Mills, Limited, and it is entirely Canadian in ownership and control. The chief owners are three French-Canadian business men, and wide distribution is being given throughout Canada to an issue of first mortgage bonds, recently authorized by the company.

Regent Knitting Mills is the outgrowth of a modest knitting mill established in Montreal in the year 1913. The Montreal mill is now located in the Vineberg Building on St. Lawrence Boulevard, where four floors, or a total of 80,000 square feet of floor space, are taken up by the extensive operations of the company.

A Large Mill at St. Jerome

At St. Jerome, Quebec, another plant is owned and operated by the company. It is one of the most important establishments of its kind in Canada, and is situated on either side of the North River, across which the company owns a dam capable of producing 300 horse-power of energy to operate the mills.

In addition to these important plants the company owns the majority of the capital stock of a spinning mill at Guelph, Ontario, which operates under the name of the Regent Textile, Limited, and it owns a large portion of the stock of the Regent Knitting Corporation, whose plant is situated at Syracuse, New York.

The company's products include sweaters of all styles, jersey cloth and tricolette and many other varieties of knitted goods. These products are sold by wholesalers and in retail stores throughout Canada and in Newfoundland. They are recognized as among the finest productions of Canadian mills.

Growth Since the Start

At the date of its inception the company employed thirty workers; to-day its employees number more than 600. At first, its workshops covered an area of 15,000 feet. To-day they cover nearly 200,000 feet. The plants are among the largest and best arranged in the country. They turned out twenty-five dozen sweaters daily at the start; now 400 dozen sweaters a day are manufactured. The value of the products reached scarcely $110,000 in the first year of operation; the value was $2,000,000 in 1921 and this figure will be exceeded during the present fiscal year. In addition to the 400 dozen of sweaters that are produced daily, and to which reference has been made, the mills turn out 1,000 dozen jerseys and similar garments and 60 bolts of tricolette weekly. The dye works can treat 30,000 pounds of silk and wool weekly, a figure which is often exceeded. The company buys a million pounds of wool yearly in Australia and has buying or selling agents in that country and in British Columbia, Nova Scotia, New Zealand and South Africa.

The Heads of the Company

The founders and principal shareholders of Regent Knitting Mills are C. G. de Tonnancourt, the president; J. F. Lemieux, the vice-president, and J. L. Marcoux, technical director.

This trio comprises a perfect ensemble. Mr. de Tonnancourt is in charge of the financial operations of the company and of its purchases. Mr. Lemieux occupies himself with the direction of sales and Mr. Marcoux with the actual production of goods.

A short sketch might be given of the career of each of these three gentlemen, a career that in each case demonstrates the possibilities for success in Canada.

Mr. de Tonnancourt started to work at 15, after brief studies, and in 1900 at the age of 28, with a capital of $1,000 established the Sultana polish factory, which twenty years later he sold for $150,000. About the year 1907, utilizing the valuable experience gained as representative for the Hudson Bay Knitting Company, he established, in co-operation with another business man, the Acme Glove Works, manufacturing woollen gloves. This business was established with only $20,000 capital, but Mr. de Tonnancourt was able to sell his interest in the business to his partner for $225,000 within six years of the date of commencing operations. In 1913, together with Messrs. Lemieux and Marcoux, he founded the Regent Knitting Mills with a paid-up capital of $32,000.

Mr. Lemieux has been vice-president of the company from its inception and is in charge of the sales. His long experience in judging the public taste, especially the requirements of the women's trade, serves him well. He was connected with the house of Greenshields for about twenty years.

Mr. Marcoux has grown up with the textile industry and knows the technical side of the business very thoroughly. He got his early experience in a New Hampshire mill, as he had emigrated to the United States at the age of seventeen. But in 1901 he returned to Canada and has lived and worked here ever since.

The workshops of the Regent mills are large and airy. A lunchroom and a rest room are provided for the employees. Tea, coffee, milk and sugar are supplied without charge to the employees at the noon hour and for a few cents other invigorating foods can be purchased.

All of the employees receive a wage that enables them to live in comfort. The employees are practically all French-Canadians and work with zeal for their institution. Says Mr. Marcoux, "My employees are my friends. I treat them courteously and the results are excellent. If at any time a reprimand is necessary I try to give it in the spirit of the head of a family and not as the master of slaves."

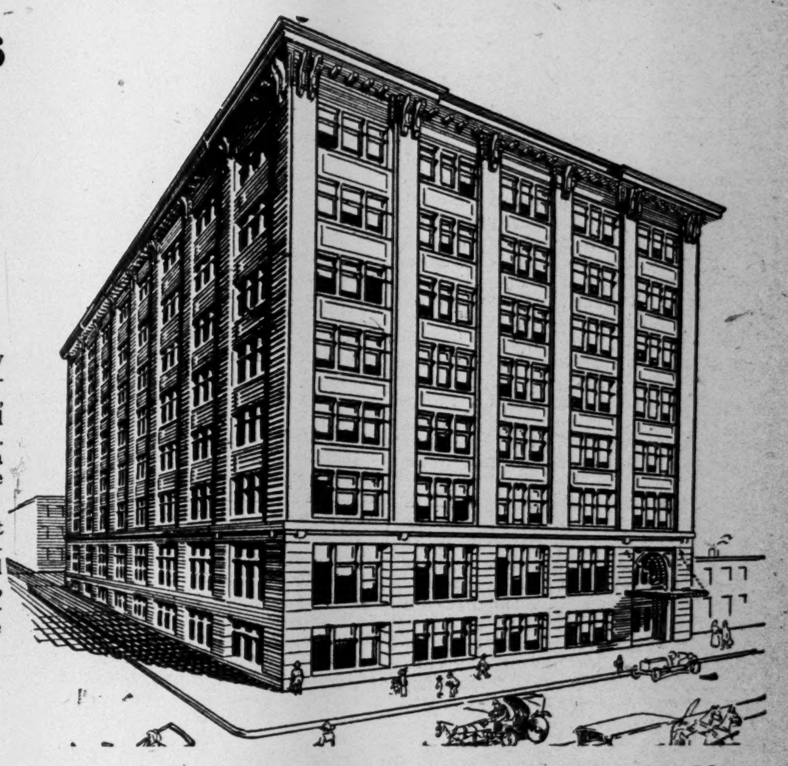
Bonds Are Being Sold

To enlarge the scope of its operations and to provide working capital, the Regent Knitting Mills recently had underwritten an issue of $600,000 of 6½ per cent. first mortgage bonds due serially from 1926 to 1935. The proceeds of the issue will be utilized in part to provide machinery and equipment to enable the company to concentrate its production at the mill at St. Jerome, thus bringing about important economies in overhead and operating expense.

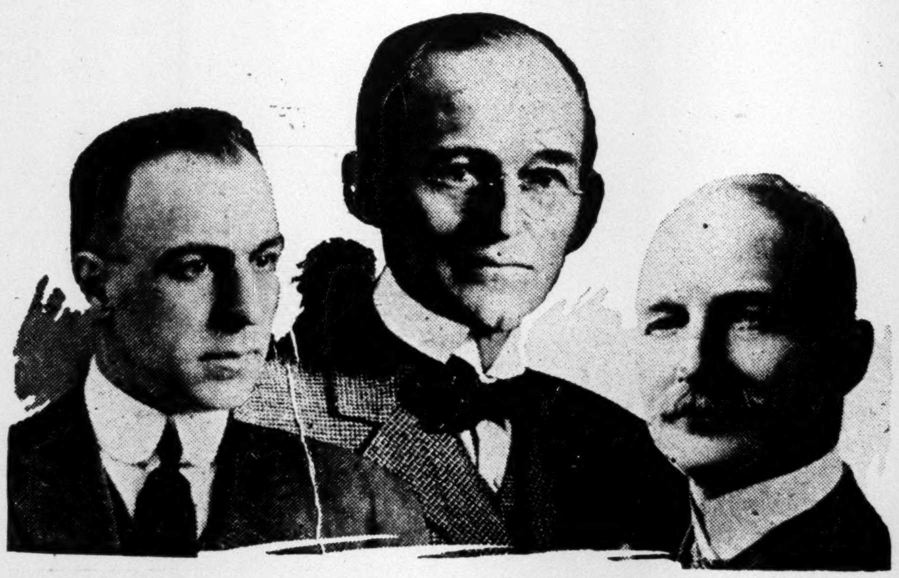
These bonds are being placed among investors by the investment house of Versailles, Vidricaire and Boulais, Limitee, of Montreal and Quebec. An idea of the excellent security behind the bonds can be had from a study of the company's financial statements. The total value of the fixed and tangible assets of the company is placed at $1,301,080.92 to protect an issue of only $600,000.

Interest on the issue is equally well secured. From its second fiscal year—in 1914—the company has earned satisfactory profits. From 1918 to June 30, 1923, inclusive, the earnings have exceeded $80,000 a year after interest payments. The interest of $39,000 on the present issue will relieve the company of a corresponding charge. It is estimated that, without allowing for economies to be effected by the concentration of production at St. Jerome, that earnings of at least $100,000 a year will be available to meet charges on the present issue.

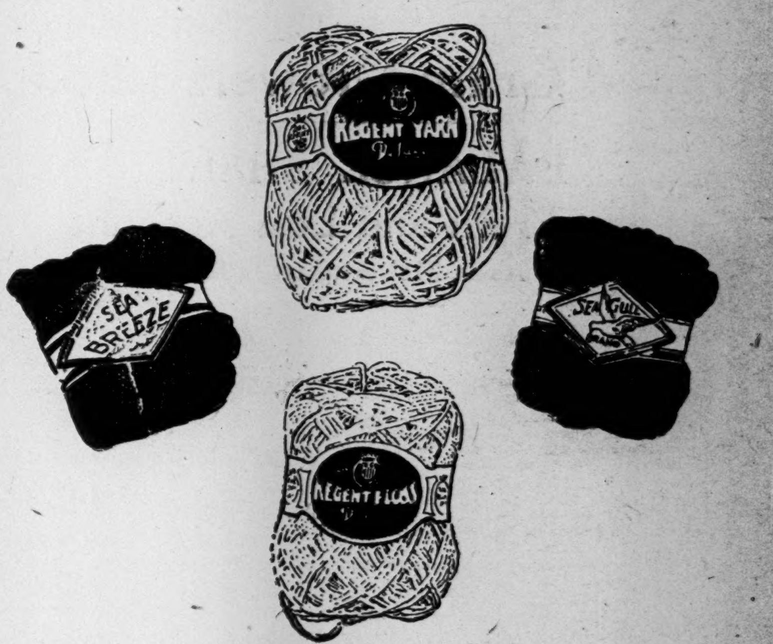
It is interesting to note that additional protection has been provided by insurance policies of $40,000 each on the lives of each of the three principal partners.



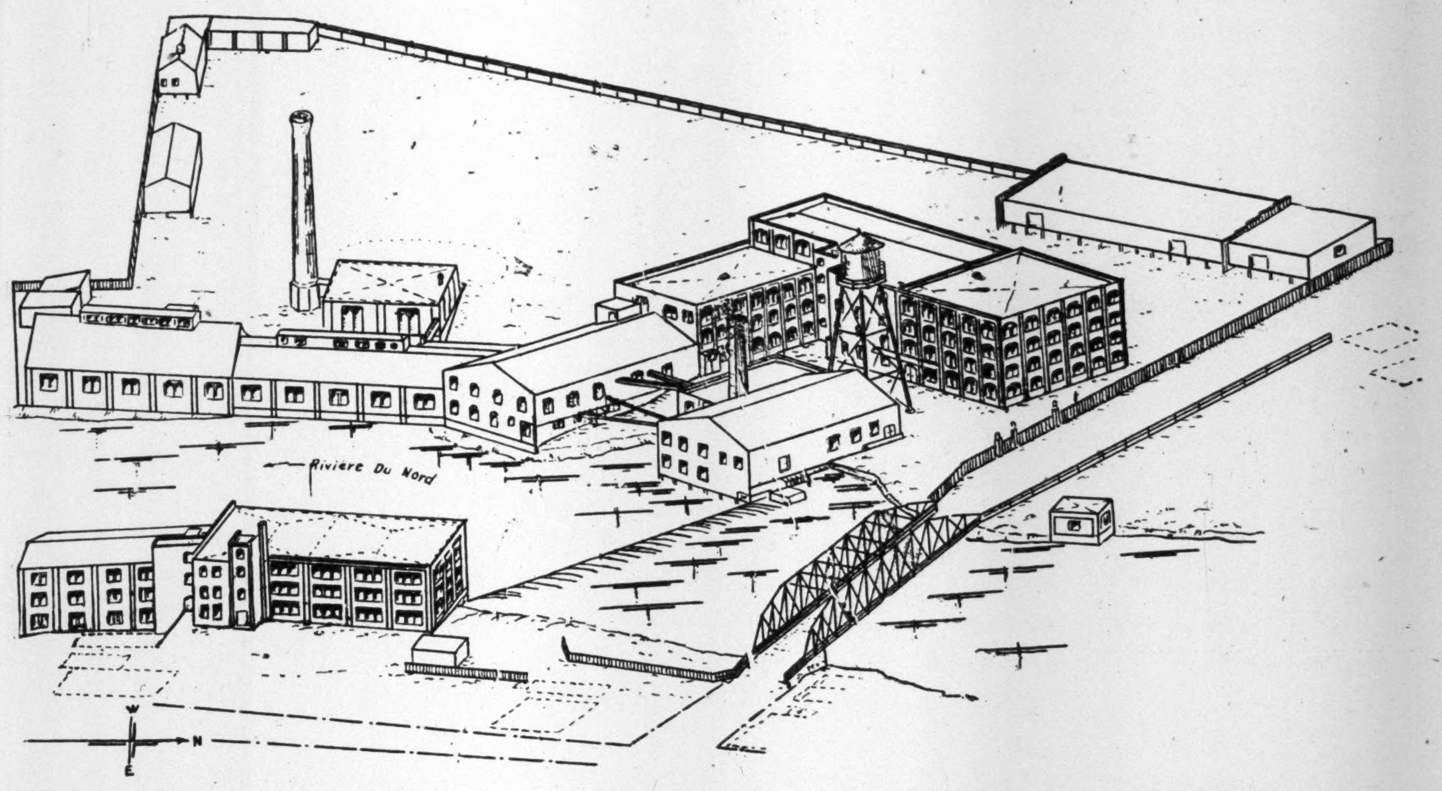
The Vineberg Building on St. Lawrence Boulevard in Montreal. The Regent Knitting Mills at present occupies four floors of this building with an area of 80,000 square feet.



C. G. de Tonnancourt (Centre), President of the Regent Knitting Mills, Limited, with J. F. Lemieux (right), the Vice-President, and J. L. Marcoux (left), Director of production.



1,500,000 lbs. of Worsted and Woollen Yarns are spun, dyed and sold by The Regent Knitting Mills, Ltd.



Bird's-eye view of the spinning mill, dye works, and knitting mill of the Regent Knitting Mills, Limited, at St. Jerome, P.Q. The land occupied by the factories totals over 400,000 square feet and is on the North River. The dam in the centre, just behind the bridge, provides 300 horse power of energy and is owned by the Company.

Regent Knitting Mills
LIMITED
MONTREAL - - - - - - P.Q.

ANOTHER STRIKE IN CAPE BRETON IS ANTICIPATED

Both Miners and Company Preparing For Battle

WHEELS AND WHEELS

Important Issue is Between the International Union Leaders and the Red Element—McLachlan a Martyr

From Our Own Correspondent.

HALIFAX.—Though the echoes of last summer's labor conflict have not yet died away, well-informed circles in Cape Breton are already preparing seriously for a new strike of miners early in 1924. The contract concluded between the miners and operators at the close of a hectic three weeks' struggle in the summer of 1922, expires on January 15, and no effort will be made to renew it. Instead, the required 45 days' notice of repudiation has been given by both parties to the agreement. The miners are demanding a wage increase, and President Wolvin is declaring he cannot grant it.

The situation is extremely complicated. In the first place, the chosen leaders of District 26 have been deposed by John L. Lewis and replaced by Silby Barrett, an official almost unanimously rejected at the previous election, and now cordially hated as a satellite of Lewis, who is regarded by the miners as having delivered them into the hand of the Dominion Coal Company by his interference with their last outbreak in July.

Up to the present time, it has been assumed that the coal company would, on January 15, grant some slight increases to strengthen the hand of Barrett and keep him in the saddle. So to embarrass Barrett many of the locals have brought in resolutions calling for revision of the wage scale upward to the 1921 rates, or 40 per cent. flat increase and other ridiculous propositions.

The Company's Stand

But President Wolvin has put a new face on the situation by coming out flat with the statement that the industry cannot afford further increases, and may not be able to maintain wages at their present level. This may be merely the usual preliminary to bargaining, or it may forecast an actual wage cut. Nobody knows until the negotiators meet face to face next week.

Meanwhile, Barret has sprung another surprise by coming home full of fight from a conference with John L. Lewis at Indianapolis. Barrett will say nothing for publication, but the persistency and cocksureness with which his immediate following continues to talk strike, leaves little doubt that he has received an assurance that if Wolvin does not come across with certain rates, either the present scale or an advance, the International will finance a battle in Nova Scotia.

McLachlan a Martyr

All the signs now indicate that both Lewis and Barrett want to stage a strike for political reasons. Lewis lost much prestige through the exposure of his pseudo anti-Bolshevik press-agent work, last fall, and he evidently believes a short, sharp and victorious campaign in the east might help his chances of re-election. Barrett wants to do whatever he can to keep Lewis in the saddle, as his own tenure of office will end abruptly whenever the rights of District 26 are restored. The jailing of McLachlan has merely made that gentleman a martyr in the eyes of the miners, as evidenced by their recent action in electing him president of the Nova Scotia I. L. P.

R. D. McKELLAR, who has taken charge of the Durant Division of Durant Motors of Canada, joined the Durant organization 8 years ago. Prior to that he was Chevrolet sales manager in Canada and Star Motor Co., California. He is well known to the automotive trade of the Dominion.

United Grain Growers Limited

BALANCE SHEET and Profit and Loss Account

As at 31st August, 1923

GENERAL PROFIT AND LOSS ACCOUNT.

By Earnings			$2,766,700.37
Consisting of Profits from Grain, Storage and Handling Charges, Livestock, Farm Supplies, Dividends from Investments, etc.			
To Expenses		$1,553,490.25	
Consisting of Wages and Expenses Operating Country and Terminal Elevators, Handling and Selling Expenses of Livestock, Farm Supplies, Etc., and General Office and Administrative Expenses, etc.			
To Fixed Charges		681,038.19	
Consisting of Depreciation, Insurance, Taxes, Elevator Rentals, Interest and Exchange, Bad Debts Written Off, etc.			
			2,234,528.44
Balance being Profit, subject to Government Taxes, carried to Balance Sheet			$ 532,171.93

GENERAL BALANCE SHEET

ASSETS

CURRENT ASSETS			$4,407,846.69
Funds in Bank and on Hand		$1,041,981.81	
Advances on Bills of Lading and Other Debts Due to the Company After providing for estimated Doubtful Accounts.		515,120.73	
Stocks of Grain, Farm Supplies, etc. As per Certified Inventories.		538,269.28	
Miscellaneous Supplies, Accruals and Deferred Expenses As per Certified Statements.		184,573.22	
Stocks and Shares and Grain Exchange Memberships		1,818,402.00	
		$4,098,347.04	
Advances to Subsidiary Companies		309,499.65	
		$4,407,846.69	
CAPITAL ASSETS			4,153,471.19
Elevator Buildings and Machinery, Warehouses and Miscellaneous Equipment		$3,649,307.91	
Real Estate		398,987.61	
Office Furniture and Equipment		105,175.67	
		$4,153,471.19	
			$8,561,317.88

LIABILITIES

CURRENT LIABILITIES			$1,385,172.40
Outstanding Cheques		$ 463,891.76	
Outstanding Orders and Cash Tickets		98,345.06	
Accounts and Bills Payable (including Sundry Accruals)		594,749.04	
Shareholders' Dividends		228,186.54	
		$1,385,172.40	
NOTE—In addition to the above Liabilities the Company is contingently liable in respect of guarantees for Bank and other Loans of Subsidiaries, etc., of $202,000.00			
CAPITAL LIABILITIES			1,674,140.24
First Mortgage Bonds	$	708,221.02	
The amount authorized is $2,000,000.00, of which $750,000.00 has been issued.			
Amount Outstanding 31st August, 1922	$730,000.00		
Less: Redeemed by Trustee through Sinking Fund and Cancelled in Terms of Trust Deed, Article 4, Section 4	21,000.00		
	$709,000.00		
Less: Funds in Hands of National Trust Co. as Trustee; in Terms of Certificate	778.98		
	$708,221.02		
Mortgages		884,119.22	
Debentures		81,800.00	
Amount Issued	$87,500.00		
Less: Redeemed and Held in Sinking Fund	5,700.00		
	$81,800.00		
		$1,674,140.24	
CAPITAL STOCK			2,821,305.09
Amount Subscribed		$3,220,100.00	
Amount Unpaid		398,794.91	
		$2,821,305.09	
RESERVES			2,470,970.52
General		$1,200,834.50	
Amount as at 31st August, 1922	$1,200,000.00		
Premiums on Capital Stock (net)	834.50		
	$1,200,834.50		
Depreciation		1,270,136.02	
On Elevator Buildings and Machinery, Warehouses, Office Furniture and Equipment.			
		$2,470,970.52	
PROFIT AND LOSS ACCOUNT			209,729.63
Amount Carried Forward from Previous Year		$ 62,113.97	
Profit for Year Subject to Taxation		532,171.93	
		$594,285.90	
Appropriated as follows:			
Balance of Depreciation for Year Ending 31 August, 1922, including $795.59 of Sundry Adjustments	$ 159,107.69		
Shareholders' Dividend at 8% per annum	225,448.58		
		384,556.27	
		$209,729.63	
			$8,561,317.88

Winnipeg, 5th November, 1923.—We beg to report to the Shareholders that we have audited the Books and Accounts of United Grain Growers Limited for the year ending 31st August, 1923, and we hereby certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs as at that date, according to the best of our information and the explanations given us and as shown by the Books of the Company. The quantities and values of the Stocks of Grain, Farm Supplies, etc., are in accordance with inventories and valuations prepared and certified to by the Company's officials, whilst the securities covering the investments in Stocks, Shares, and Memberships have been produced for our inspection or authenticated by certificates from the Company's Bankers.

(Signed) JOHN SCOTT & CO., Chartered Accountants.

Sir William Mackenzie

One of the greatest—if not in fact the greatest—human creative and constructive forces that Canada has known was Sir William Mackenzie. His death marks the conclusion of a career filled with achievement but shortened by the physical strain which it exacted. Perhaps no other of Canada's big men has been so little understood—and so much misunderstood. A man of boundless ambition and inexhaustible energy, he accomplished in his full and active life what will probably never be duplicated in Canada. Sir William always shunned publicity. His joy and satisfaction was accomplishment. That he seldom received the credit due him was partly his own fault. If the people did not understand that was their business so far as he was concerned. To the general public he has been depicted as a Sphinx, an octupus of business, a genius for organizing and aggrandizing. Had he come out boldly in print, as other men have done, he might have proven that he was only daring, that he was making Canada's wealth available for Canadians, and filling the deserts that many might be fed. Mackenzie had his work to do and was too busy doing it to take time to tell people about it. He neither asked for praise nor resented blame—he worked.

Sir William was a hard man to know. In the following article Austin R. Campbell gives some intimate glimpses of his life and character:

Those who have labored with Sir William, who have shared his successes and portioned his defeats, have experienced his unswerving loyalty, his radiant optimism, and have been inspired by his unconquerable faith in Canada. To them, Mackenzie was Canada's greatest builder; a tireless genius of organization, an unimpeachable friend, to whom the making of money was only "a game" and wealth merely a means of measuring work accomplished.

Who was it that said

"Here's to the man who plans things
Makes things—builds things
—takes off his coat and takes right hold and does things"?

Whoever it was, he might have had Mackenzie in mind, for that is a photogravure of the man. To secure power and greatness, wealth or fame, and what to do with them if he got them, was a secondary consideration if he thought of it at all. One thing only he desired, viz:—to achieve, to accomplish, to create—to do things.

The Joy of Doing Things

He worked because he could not help working; he succeeded because it was his nature to succeed—he accomplished because accomplishment and success were natural to him; he knew what to do, and how to do it, and he did it.

To vision a second transcontinental railway, to grasp that vision and convert it into the twin facts of steel rails from Atlantic to Pacific, to do all the other great things he did—and not be proud, is greatness. To surrender, to the sovereign will of the people this vast achievement, and not be disheartened, was greater.

As a School Teacher

It is the little village of Kirkfield, Ont., that proudly claims to be the birthplace of Mackenzie. To some of the old-timers up there he is still just plain Bill—Bill who taught in their school over fifty years ago. But "the three R's" hardly measured up to the young man's ideas of progress, so he looked about for something additional to employ his excess energy. The people round about wanted fuel—Mackenzie gave them cord wood. He discovered that it is easy to sell people what they wanted—easy and profitable. Later they wanted railways, so he gave them railways. Next steamships, mines, electricity—all these the people wanted and all these the wizard Mackenzie created and gave them.

Wonderful? Yes and No. Canada wanted utilities, England wanted investments. The wizard Mackenzie convinced both parties that he was the modus operandi—he gave them both what they wanted. People are by nature hero-worshippers. To the Englishman, Mackenzie was the great god of business, he paid dividends to his worshippers. To Canadians, he was the arch-priest of action—he gave them utilities. The public is slow to pick faults in its idol. Mackenzie could do no wrong—he had but to hold up his hand in Threadneedle Street and—Canada was richer by $10,000,000. So they called him a financial wizard, but he did not look at it that way. It is just the idea of the cordwood over again.

It is all very well to have energy and power, to be a driver of men and to force issues to a conclusion, but Mackenzie soon learned that power must be applied with brains or disruption will result. He became a diplomat. The C.P.R. wanted a short line through Maine to St. John. Van Horne picked James Ross, the great railway contractor, to do the job. Each was a strong man; each a driver accustomed to having his own way. It was the old story, disagreement over price, terms and concessions, the threat of financial disaster, the irresistible force meeting an immovable body result? Well, no one is interested in what the result might have been—Mackenzie settled it. He was the negotiator, diplomat and financier who blended knowledge with wisdom, power with discretion, and by his young genius untied the knot and made the two most powerful men in Canada his friends and advisers.

Conquering the Rockies

Next, the romance of the Rockies, nature's barrier and challenge to man. Who has not heard of the great triumphant Mackenzie, Mann & Holt—who bound the monster with fetters of steel?

A mountain peak?—they tunnelled it or blasted it away. A gorge?—they threw a bridge across it. Indomitable nature kneeled to indomitable man. Mackenzie was the head of the tool that did it. And if you had asked him about it, he would have said, "Oh, we just built it."

Snow sheds?—The road was finished but could not be operated. As though protesting against the attack upon their millennium-long freedom, the mountains hurled their avalanches upon the track. It was obliterated, or swept away. A cry went up, "Come West and help us"—and Mackenzie went. Why could not some other man do it? Why could not other men do the many things he did? He knew how and he had the courage and energy and will to do it. For one whole year Mackenzie left his family back there in Ontario. He took off his coat, drove his gangs into the woods, made his lumber and built the sheds. The line was saved, the avalanches were beaten. He could not stop them coming, but he could and did stop them from doing any damage.

What's this about opportunity coming but once. Anyway it's not so. Curious thing, but Mackenzie once turned down his great opportunity and it came again—it was the charter for the little railway to Dauphin. Having built railways, someone suggested that he buy this short line, and own one. Mackenzie laughed, the thing was a toy, he preferred taming mountains. So Donald Mann bought it. Then Mackenzie saw the light. Out of that grew the Canadian Northern and now, out of the Canadian Northern has grown—well, you better ask Flavelle, perhaps he can tell you. Anyway no one can lay the overgrown baby of railway defects on Mackenzie's doorstep. Whoever else forced the National Transcontinental through it was not Mackenzie. He built one line and knew that it was enough. He next set about creating traffic for that line. A railway is a nice thing to own—if you have traffic rolling over it. Mackenzie as a railroad builder was great—Mackenzie as a builder of industry wanted to be greater.

Then came the days when the name of Mackenzie was in every man's mouth. Had you a mine, a farm, a mill, a forest—Mackenzie would join you and find the money, and "ship per C. N. R." was the office motto. And he was right, too, traffic was the thing. Then August 4, 1914!

The War Stopped Him

It was the war that stopped Mackenzie—nothing else. Had the war not thrown all our business systems into disruption, Mackenzie would have made his line pay. There is a perihelion to the wide sweep of any comet. Mackenzie's had traveled far, his glory was at its full, but the light of it faded in the blaze of war, and it was destined never to reflame. However, he created something out of nothing, and he has left a heritage of inspiration, achievement and creation that may never be equalled. Conditions have changed in Canada now, it is doubtful if there will ever be another Mackenzie.

Interviewing Mackenzie was the "bogey" of journalism—it could not be done. The Mackenzie the world saw was the business man, the man who would not talk, would not answer letters, would not keep appointments, and would not agree that he had ever done anything worth talking about. It was a bare empty office that he met you in. There were no photographs of famous men, no evidences of great occasions, no rich rugs and panelled walls, no trappings and hangings to add impressiveness, and the only motto was a postcard saying "Bury the past and don't put a monument over it."

"Sir William, we would like to run a story about you."

"Humph! I never did anything worth writing about."

"We are pleased to disagree with you on that, Sir."

"That doesn't make any difference."

"People would like to know how you did it."

"There's nothing to tell about it."

"Tell me something about the romance of building railroads."

"Romance? Why, we just built them."

He Just Built Them

That's all. Nothing remarkable about it. Merely built and equipped, and operated, and owned, a railroad across the widest part of the North American Continent—and the achievement is dismissed thus briefly. And the funny thing is he meant it.

"How about building those station houses, years ago, on the Credit Valley Railroad?"

"Nothing in that, what about it?"

"Oh, they all said you could not do it, but I understand you cut the trees and made the lumber in your own mill. Then collected complete material in one long train, dropped off one car at each station location, and built the whole line in one night, as it were. Finished ahead of time and—"

Mackenzie waved the question aside, but the grey whiskers twitched—there's a story of master organization hidden away there—and he was only a boy too.

"How about that game of bridge, Sir William, with Lord X., and Sir W. and Mr. Hanna, when you redoubled on their declaration and won 2,000 points?"

Bridge!! Bridge!! We were right, there was laughter behind those magnetic eyes. Merry laughter, hearty and infectious, it filled the big bare office.

"And not a trump in my own hand, either," he chuckled. "Bluff, pure bluff—but I got away with it." Then, confidential, as though betraying a state secret, he explained: "Hanna is dead slow. He's Scotch, you know, and he hates to lose. It was the neatest little double rough I ever saw."

Bridge was a passion with him—he believed the game was invented for his special recreation. Bridge was the key that unlocked the reservoir of his conversation—even to a journalist.

Telephone calls could wait—visitors could sit outside, arbitration with the Toronto Transportation Commission could stand, as point by point, card by card, that six year old game was explained. Each detail seemed as clearly fixed in his mind as if it had been but yesterday.

Motor Tourist Traffic In Ontario and Quebec

The following figures covering the number of motor cars entering Ontario and Quebec in 1922 are supplied by the Toronto Publicity Bureau from a compilation by A. W. Campbell, Commissioner of Highways for Canada:

	Motor Cars Entering Ontario, 1922	Quebec, 1922
During a period of from:		
1 to 6 months	1,818	327
2 to 30 days	76,112	65,553
24 hours or less	804,996	6,971
Total	882,926	63,851

Tourists Are Preferred to "Old Home" Visitors

HALIFAX.—According to latest reports, the expected Old Home Summer will not be held in Nova Scotia next year. It is understood that Premier Armstrong is indifferent to the project.

From other sources it is learned that it is believed best to use the funds available for publicity purposes for the encouragement of tourist trade only. An Old Home Summer appeal, it is felt, will tend to discourage tourists with visions of crowded hotels, congestion, etc.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st December, 1923, payable 15th January to shareholders of record December 31st.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, December 3rd, 1923.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A DIVIDEND of One Dollar ($1.00) per share on the Common Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st December, 1923, payable January 2nd to shareholders of record December 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, December 3rd, 1923.

CENTRAL CANADA
LOAN AND SAVINGS
COMPANY

Dividend No. 159

Notice is hereby given that a quarterly dividend of *two and one-half per cent.* (2½%) for three months ending Dec. 31st, 1923 (being at the rate of ***Ten per cent per annum***) has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Wednesday, the 2nd day of January, 1924.

The Transfer Books will be closed from the 15th to the 31st of Dec., both days inclusive.

By Order of the Board.
G. A. MORROW,
Managing Director.

NOVA SCOTIA'S TOURISTS

HALIFAX.—At least 65,000 summer tourists entered Nova Scotia during 1923, according to estimates made public by Premier Armstrong. This is 15,000 in excess of the estimated tourists to this province the previous year, and the increase is accredited to the improved highways and widespread activities of the Nova Scotia Tourist Association.

Santa Claus Pops Into the Office

The door opens and in walks Old St. Nicholas himself. "Look here," he says to the boss. "What are you going to do for the boys this year? The staff never worked so hard as in these twelve months. They deserve everything you can do for them."

Then comes this worthwhile suggestion from the King of Christmas, just to show that he is as wise as he is jolly and as good a business man as there is going.

Last year you gave each of your departmental managers and each of your salesmen a turkey. This year send each one The Post. Have it go to the home address. Then every week for a whole year they will have a reminder of your Christmas gift—and in the reading of The Post they will become broader-gauged business men.

To employees, salesmen, officials, business friends—give the most valuable of gifts, The Financial Post.

It will be appreciated.

And you know how hard it is to choose just the right gift for George Smith, your old classmate who is now a lawyer in the West; or for Henry Jones, who is some sort of relative of yours and runs an insurance and real estate agency in the Maritimes. And there is your brother Frank, who is a little inexperienced in regard to investing and who would profit by weekly news and advice that would help him to put his personal finances on a better basis.

Send Smith and Jones and Brother Frank The Financial Post.

We have simplified the giving. Simply write on this form or on a separate sheet the names and addresses of those you want THE POST to go to. Give their home addresses preferably. We will send THE POST for a year (52 issues) and will also write each one a letter informing them that this is their Christmas present from you. You may enclose your cheque or we will draw on you for the amount.

Do Your Christmas Subscribing Early

THE FINANCIAL POST,
143 University Avenue, Toronto.

Send The Financial Post for one year to each of the following, with a letter stating that this is their Christmas gift from me.

I enclose cheque for $....... being at the rate of $5.00 for each subscription. (Or you may draw on me for the amount.)

Name ....
Address ....
Name ....
Address ....
Your Name ....
Address ....

RECENT PROBE CLEARED AIR FOR C. B. STEEL MEN

Most of Points in Dispute Proven to be Only Trivial at Inception

REDS WERE BUSY

Workers Admit They Were Egged on by Radical Press—Industry Now Pushing Ahead

If the Royal Commission which recently completed its sessions at Sydney had visited Cape Breton immediately after the February steel strike, there would in all probability have been no general strike of steel workers and miners in July. This is the opinion of observers who closely watched the evidence introduced in November before the Robertson board at Sydney. It has been clearly shown that most of the points in dispute were originally trivial. They had grown through neglect to large proportions. They could have been easily adjusted at their inception had there been anyone around empowered to look into them, and the opinion is strong that the trouble and expense of the strike and military occupation of the island could have been avoided if proper steps had been taken to bring the disputants together immediately after the February outbreak.

Those who might be classed as "company witnesses," that is, company officials or foremen, advanced as the principal causes of unrest leading up to the strike, "agitation by outside Red speakers," and the playing up of grievances by a Communistic labor paper at Glace Bay. Most of them readily admitted that small wages, long hours and the high cost of living might have been contributing causes.

The men's complaints were: "low wages, long hours, high cost of living locally, non-recognition of the union, and alleged discrimination against union men." Most of them admitted that these causes might have been aggravated by agitation and the Communistic press.

Blame Both Sides

Independent persons, merchants or traders, said there was fault on both sides and that agitation and a Communist press had made matters worse. The police and local officials upheld the contentions of company witnesses. Others stressed bad housing and social conditions as contributing causes.

The union presented specific cases of alleged discrimination. The company produced documents to show that the Labor organ had advised the workers to turn Bolshevist, to work for the overthrow of the present regime, and had cast serious aspersions upon the courts of the province.

On the Bischoff (plant council) plan of employee representation, there was much more unanimity than expected. Only the officials of the union declared outright that it is of no value. Most of the company officials, and men who work at the plant, declared that it has shown good results for the two months it has been in operation. They declared their intention of giving it a thorough try out and of making every effort to ensure its success.

The provincial police came through the enquiry well. Stories of atrocities by this force are all declared to be fakes. No evidence to support them was obtained.

Troops Were Needed

Practically every witness, company labor and independent, stated or admitted that under the riotous conditions which obtained in July the presence of troops was an absolute necessity. They were not so unanimous in favor of the provincial police.

Two things have happened of late to make for greater harmony. The introduction of a plant council where the elected representatives of the men meet the management face to face to iron out their difficulties. The introduction of a pension system under which veteran employees of Besco will be assured of lifelong incomes when their days of active service are over. It is hard to imagine a more stabilizing factor than this.

To-day the C. B. Steel mills are working steadily. The men are fully employed at standard wages, and the outlook for a brisk winter is excellent. The industry is fast moving toward real stability and tranquility. The commission cleared the air; dispesed of wild rumors, and convinced everybody that their differences are not so desperate after all. Company officials who testified showed a reasonable and friendly spirit. The strike leaders showed no signs of rancor. They did not trail off into radical side issues, which often beclouded their utterances during the strike period.

Now they are both wondering why they did not get together before the damage was done.

Railway Traffic Comes All in Heap in West

From Our Own Correspondent.

CALGARY.—The heavy movement of coal is greatly interfering with the movement of grain. Until there is some plan whereby coal may be mined and sold early in the season, this condition will prevail. It is unreasonable to expect the transportation companies to do the impossible, and move all the products of the West in a few months, letting the rolling stock lie idle all the remainder of the year. This is all wrong, and in some way must be remedied, to insure reasonable freight charges.

Southern States Suffer From Labor Migration

Special Correspondence.

NEW YORK.—Canadians are accustomed to thinking their part of North America only suffers from labor demands at high wages. The southern farmers are now greatly alarmed over the migration north of colored labor. Their growing textile industries are also beginning to suffer. The New York Herald reviews conditions:

> The stories that come from the South about negro migration should alarm all who are interested in cotton, whether they wear it or sell it. Negroes are going North in thousands. Whole colonies depart, leaving plantations without help.

Of course the magnet which draws the negro into a region where the climate is not suited to him is money. Northern employment agents are offering big wages to men who will work in Northern factories. Some Southern States have tried to stop the exodus by imposing large license fees on the agents, but the law of supply and demand keeps on working.

The remedy for the evil is simple, but there is no sign that Congress will apply it. Even the Southern members are reported to be afraid of amending the immigration law to admit the European labor that the North needs. The labor organizations want the bars kept up and the politicians are afraid to buck them. The result of the present law is high rents and high prices generally. In the South, where many planters have had to reduce their cotton crops, a great industry may be permanently injured.

Until the immigration law is made sane both the North and the South will suffer.

The Plums Fell Into His Lap—But First He Shook the Tree

Charles Hayden Began Doing the Shaking When he Was Twenty-one—He Worked Because He Wanted to, Not Because He Had to—As a Great Banker and a Director in Fifty-eight Companies, His Ideas

By KEENE SUMNER,
In The American Magazine.

Charles Hayden, the subject of this sketch, who is a director in fifty-eight companies and senior partner in the banking firm of Hayden, Stone & Co., is well known in Canadian financial circles. He is one of the principal financiers who have been associated with the British Empire Steel Corporation. He is chairman of the International Nickel Co., which he has been making an effort to put on a sound footing and has given Canadians assurance that in his future dealings with the public methods which had created much criticism will be entirely eliminated. Mr. Hayden is the financial head of four large copper mining companies, chairman of the board of the Chicago, Rock Island and Pacific Railroad, and the International Nickel Co., and chairman of the administration committee of the Cuba Cane Sugar Corporation. He was born in Boston 53 years ago. He is unmarried and lives in New York City.

If you were to go to six men who know Charles Hayden more or less intimately and ask what is the most interesting thing about him, you might get six different answers. One would talk about his energy; another about his ability to pick men; another about his genius for finance; and so on.

But if you asked me that question, I should say that the most interesting thing about Charles Hayden is the fact that he was not a poor boy! He ranks to-day as one of the leaders in business. But in just about nine cases out of ten these leaders are men who were born poor. Hayden was not. And this seems to me to have been a pretty stiff handicap.

Any number of men have told me that poverty was the spur which helped them to achieve. They said they were glad to have had that spur. If they wanted money, position, influence, they had to win them by their own efforts.

Do you remember a play called "The Poor Little Rich Girl"? I could write one about "The Poor Little Rich Boy." The only spur he has is the one he wears on the heels of his riding boots. He already has money, position, and influence. So, why worry? He doesn't; not when he is young. His worrying comes later, after he has lost his money and, with it, his position and his influence.

You probably know some of these men who started at the top and have coasted down-hill ever since. And you will admit that Charles Hayden would be interesting if for no other reason than that his story is just the opposite of theirs.

Did he inherit the money he has? Not much of it. Is he a mere figurehead in the position he holds? Decidedly not. He is worth millions, but he made them himself. He is a director who directs. He didn't need the driving force of poverty for he carries his own dynamo with him.

Charles Hayden was born July 9th, 1870, in good old Boston town. For generations Boston has been one of the great centres of the leather industry. Hayden's father and grandfather were prosperous leather merchants. The boy did not have to work. He never earned a dollar until he was twenty-one years old.

Getting An Education

But he was no idler. His job, as a boy, was to get an education; and he apparently applied himself with characteristic energy, for he was graduated from high school when he was only fifteen.

According to the family plan, he was to enter Harvard. But the Massachusetts Institute of Technology was only a few blocks from his home, and the president was a friend of his father. This man talked to the boy about going to "Tech," and told him that a certain professor, for whom young Hayden had a great admiration, was to be on the faculty. So he decided to go there.

"The Boston Exchange," Mr. Hayden said to me, "was the greatest market in the country for dealings in copper stocks. The Lake Superior mines were largely owned in Boston. If I was to be a banker and broker in that city I wanted to know something about the copper industry.

"I thought the matter over, and decided that the place for me to get this knowledge was at 'Tech.' There I could study mining engineering. Electricity was becoming a great factor in industry. I believed it would make enormous strides. When I left high school, in the spring of 1886, the telephone and telegraph were only in their infancy compared with what they are now. Electricity as a source of power was hardly more than a promise.

"But I believed that the electrical field would grow enormously. This would mean a great future demand for copper. We would need new sources of supply. That would mean the floating of new companies.

"To be prepared for this, I realized that I ought to understand mining. So I entered the Institute of Technology in the fall of 1886, and was graduated with the degree of Bachelor of Science four years later, a month before my twentieth birthday. That summer I went abroad and traveled in Europe six months.

"My father had many friends. Some of them were bankers and brokers. I made up my mind to be a banker and broker myself, so I entered the brokerage office of Clark, Ward, and Company in order to learn the business. As I must first become familiar with the names of the stocks that were traded in I started as a 'ticker boy.' In a few weeks I took another position, learned what I could in that job, then took another; and so on.

"My salary was three dollars a week. That meant nothing. I didn't care what I was paid. I wanted to learn, not earn. I would have been glad to pay the firm for that privilege.

"As a matter of fact, I didn't even draw my salary. I was living at home and my father gave me all the money I needed. When I left the firm at the end of the year, they told me I had twelve months' salary to my credit, and gave me one hundred and fifty-six dollars.

"While I was with Clark, Ward, and Company, I became acquainted with Galen L. Stone, who was then the 'customers' man' in the office. He was eight years older than I was and had been financial editor of the 'Boston Advertiser' before coming to the Clark-Ward firm.

"One day, toward the end of the year, I said to him, 'How would you like to go into business with me?'

"'I'd like to,' he said; 'but I haven't any money.'

"'Neither have I!' I told him. 'But I'll borrow twenty thousand dollars from my father, and you can borrow five thousand dollars apiece from each of four men. There they are,' I said, pointing to four customers who were in the office at the time. 'Those men know you. They'll lend you the money.'"

"And did they?" I asked.

"Certainly."

"And your father loaned you twenty thousand dollars?"

He nodded.

On His Own Hook

"Pretty easy for you," I said.

"Yes," laughed Mr. Hayden; "you can't make a romance out of my story!"

"Well," I said, "there's more than one kind of romance—but never mind about that. How did you start?"

"Rented a small office, hired one clerk, and got busy!" was the laconic reply.

"Did you have enough customers to keep you busy?"

"Well, we had some from the beginning, and we kept busy trying to get more. My father's friends and mine were interested, of course; they gave us some business. Stone's acquaintance on 'the street' helped us to get more."

"Do you mean that the plums just dropped into your lap?" I asked.

"When we shook the tree!" said Hayden, significantly. "They never drop fast enough to amount to much unless you help them along."

"Tell me how you did the shaking."

"By doing our best for the customers we did have, and by trying to get new ones. For instance, a few years after we started, someone offered to sell us a list of the stockholders of the big Michigan copper mines. Lists of stockholders are of value to brokers because the people on such a list are investors. They already own some shares of stock. The chances are that they will continue to invest.

"The man who had this list asked twenty-five dollars for it. Stone and I had started our business on borrowed capital, so we had to be careful about expenses; and twenty-five dollars was quite a lot of money to us.

"But there are times in every business when it pays to spend money. A man must consider the return he will get. That's the only sensible way of estimating an expense. He might spend fifty dollars, for one item, and not get a cent in return. And he might refuse to spend five hundred dollars for some other thing which would have brought him thousands of dollars in new business.

"We did buy the list I speak of. It contained the names of many hundreds of stockholders. We prepared a statement of conditions in the copper mining industry, and sent it to these stockholders. That, by the way, was the origin of our firm's 'Market Letter,' which is now one of the best known in the country.

"The response was so great that we opened hundreds of new accounts. Many of them came from Michigan, where there seemed to be stockholders in every town. By the following year, 1899, we were so swamped with business that we had to turn it away. We gave notice that we would not accept any new accounts from people outside of the Boston district.

"This necessity of choosing how you will spend money is always coming up in business. For example, when we started I bought a seat on the Boston Stock Exchange. But I didn't go on the floor myself. We paid other brokers to execute our orders. I figured that my time would be worth more in our own office."

"But how?" I asked.

"Well," said Mr. Hayden, "suppose a customer came in and gave us an order to buy 100 shares of a certain stock. Our commission would be $12.50 on the transaction. We would give the order to a floor broker, who would charge only $2 for executing it; the other $10.50 would come to us. I would have saved $2 by being over at the Stock Exchange. But if I stayed in our office, where I could meet the customer, I might say to him 'Why don't you take 200 shares?' If he did, we would net $21 in commissions. I could get new orders and larger orders by staying in the office. I would have been penny-wise and pound-foolish to miss that chance in order to save the fee of a $2 broker. If you try to economize, be sure that your economy isn't a costly one.

"That applies to time as well as to money. Don't fritter away your time, as a business man, on unnecessary and unimportant things. Spend it where it will bring the best return."

Come to the Point

"Are many men hazy in their talk because their ideas are half-baked?"

"I think so. And there's another type that is very common. For instance, a man comes to me and begins to tell me about some business enterprise. He is there for just one purpose. We are bankers. He wants to interest us financially in his scheme. I know this, and so does he.

"But instead of coming straight to the point he wants to drool along for half an hour telling me a roundabout story. Do you know how he starts? Like this: 'Back in 1892, out in a certain section of a certain Western state, a man gave a mortgage on a certain tract of land for which—' and so on.

"He could put the vital point of his proposition in one sentence. And I could tell him, straight off, whether we were interested or not. But he wants to beat around the bush. I have practically to take him by the back of the neck and make him get down to dots. If I'm interested in his project, I'll get the details then. If I'm not, he can save them for somebody who is interested."

(Continued on page 19)

An Important Appointment

When you sit down, pen in hand, to sign your Will you make one of the most important appointments you are ever called upon to make—*namely* your *Executor and Trustee.*

Your executor should be able to furnish the following services:

The conservation of your Estate.

Sound investment of moneys you leave for your dependents.

Accurate and prompt accounting of all moneys handled.

Considerate treatment for your beneficiaries.

The Provisions of your Will carried out.

All these and many other important services are assured when you appoint The Toronto General Trusts Corporation—Canada's Oldest Trust Company—as the Trustee and Executor of your Will.

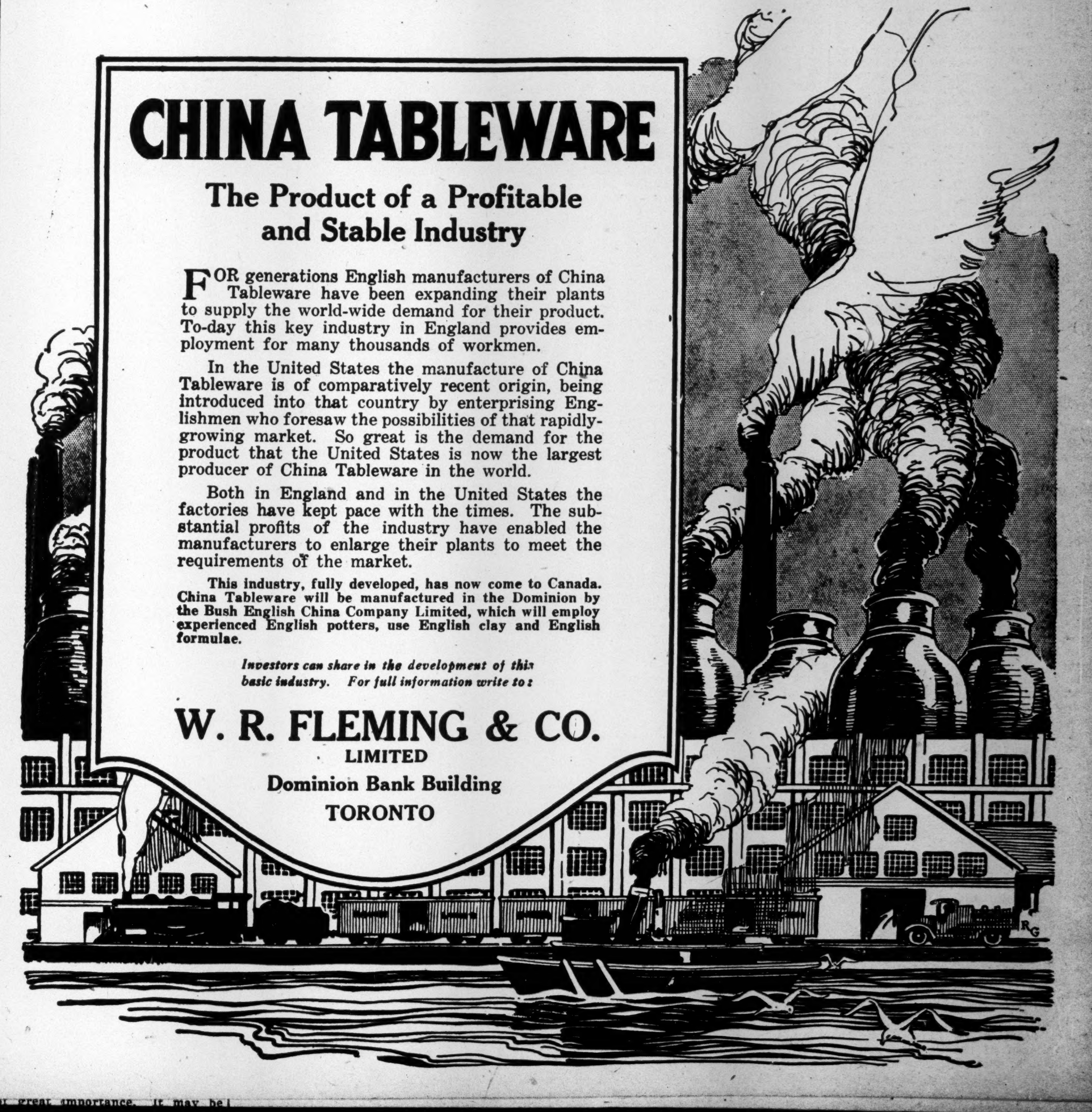
An appointment of this kind is a logical indication of foresight, good judgment and sound business instinct.

BRANCHES
Ottawa
Winnipeg
Saskatoon
Vancouver

THE
TORONTO GENERAL TRUSTS
CORPORATION

A. D. LANGMUIR, General Manager.
W. G. WATSON, Asst. General Manager.
H. M. FORBES, Manager, Estates Department.

HEAD OFFICE BAY & MELINDA STS. TORONTO.



CHINA TABLEWARE

The Product of a Profitable and Stable Industry

FOR generations English manufacturers of China Tableware have been expanding their plants to supply the world-wide demand for their product. To-day this key industry in England provides employment for many thousands of workmen.

In the United States the manufacture of China Tableware is of comparatively recent origin, being introduced into that country by enterprising Englishmen who foresaw the possibilities of that rapidly-growing market. So great is the demand for the product that the United States is now the largest producer of China Tableware in the world.

Both in England and in the United States the factories have kept pace with the times. The substantial profits of the industry have enabled the manufacturers to enlarge their plants to meet the requirements of the market.

This industry, fully developed, has now come to Canada. China Tableware will be manufactured in the Dominion by the Bush English China Company Limited, which will employ experienced English potters, use English clay and English formulae.

Investors can share in the development of this basic industry. For full information write to:

W. R. FLEMING & CO.
LIMITED
Dominion Bank Building
TORONTO

CONSTRUCTIVE IDEAS BEHIND MELLON PLANS

To Encourage Investment In Productive Industry

AN AGGREGATE CUT

Total Reduction Under the Proposed Reductions Estimated at Over $50,000,000—Business Relieved

The program for tax revision announced by Secretary of the Treasury Mellon offers for the consideration of Congress a fiscal plan which is designed to effect a reduction in the aggregate of taxes collected, a more equitable apportionment of the tax burdens which must remain, and a transfer of invested capital from tax-exempt securities into productive channels of industry and trade.

This action of the secretary in advance of the opening of Congress represents a courageous and thoughtful approach to the nation's financial problems, states the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York.

The secretary's recommendations include a reduction of one-fourth in the normal income tax rates; a lowering of the surtax rates to a maximum of 25 per cent. on incomes of $100,000 or more; and a differentiation in favor of earned incomes (wages, salaries, and the like), these to be taxed at rates one-fourth less than the reduced rates on unearned incomes.

Each of these proposed reductions would bring a greater measure of relief to persons of small or medium incomes than to the wealthy, the Survey says, although it is expected that the immediate effect of the surtax reductions would be a temporary decline in revenue from this source.

According to the treasury's estimate, the aggregate yield of the normal tax on incomes for the next calendar year would be $91,600,000 less under the proposed rates than under the present ones. Of this sum, representing—from the standpoint of the treasury—a loss, $80,600,000, or 88 per cent. it is estimated would be lost on incomes of 10,000 or less. And the number of persons who would pay on such incomes is reckoned at more than 13,000,000, as compared with some 331,000 paying on incomes exceeding $10,000.

By reason of the proposed differentiation in favor of earned incomes, the loss to the treasury on incomes up to $10,000 is estimated at $51,250,000, or more than one-half of the total. Our federal income tax system has heretofore been conspicuously faulty in its failure to provide for some such differentiation. Many business men believe that, since the excuse of urgent need for all practicable means of raising revenue no longer holds, this essential feature of an adequate income tax law should be adopted without unnecessary delay.

The proposed reduction of the surtax rates will be regarded by some as a scheme for lightening the taxes paid by the wealthy. Similar proposals heretofore have been so misrepresented. The fact is, however, that the lowering of these rates is proposed in order ultimately to increase, not to curtail, the revenue from them. The present rates are, Secretary Mellon points out, "progressively becoming less productive of revenue." As is well known, the huge volume of securities exempt wholly or in part from taxation provides a way of legitimate avoidance of the excessive taxes on large incomes.

Additional tax modifications are included in the treasury's program, some of which would increase, while others would reduce, the revenues derived. The suggested equalization of treatment as between large gains and large losses in capital account, and limitation of deductions for interest paid and for non-business losses would, it is estimated, increase the revenues some $60,000,000. The proposal to abolish the tax on telegrams, telephones, and leased wires will probably be generally approved.

Maritimes Entering On an Active Winter

Reports from the Maritimes are to the effect that the province is facing the most active winter in its history. Plans of lumbering and pulp and paper enterprises evidence this. The woods are already alive with men and the advent of snow is being looked forward to.

Industrially New Brunswick is making strides forward. A comprehensive story of this progress was recently presented by the Telegraph-Journal of St. John. The occasion was the opening of what has been termed the "World's Greatest dry dock." The shipping industry, including now the giant dry dock enterprise ranks among the first in the province's industry.

The Telegraph-Journal's second choice, lumbering and pulp, places the province fourth in Canada in this industry. Investment in such enterprise represents $59,000,000 while the annual production is valued at $35,000,000. There are 440 sawmills, five pulp mills and one paper plant in New Brunswick.

Practically all industry in St. John is progressing fairly well. New power developments have recently been undertaken. Sugar refining is the largest individual industry in St. John. The production of as high as 8,300,000 lbs. of refined sugar in one week, after shipping in the raw materials from many lands and the shipping out of the finished product has been a great boon to the shipping industry.

CURRENT OPINION

THE TAXATION PROBLEM

(Brantford Expositor)

It is time that an urgent and insistent demand is made in Canada for drastic reductions in taxation and expenditures, and that a proper adjustment is made in regard to municipal, provincial and federal taxes. At present one of the chief hindrances to the revival of prosperity in Canada is the burdensome taxation that is strangling business and trade expansion. This is not a time for the reckless expenditure of public moneys, but rather for public and private economy, the conserving of resources, and preparation for an extended period of national expension.

THE ALARMING INCREASE OF TAXATION

(Sarnia Observer)

There is a virtual panic in the United States over the alarming increase of taxation. President Coolidge has taken cognizance of the agitation and proposes to call a national conference of state and local taxing authorities.

There has been an enormous and constant increase in the burden of taxation, federal and municipal, so that a large majority of the people feel that drastic measures to curtail public outlay must be adopted if disaster is to be averted.

Our neighbors seem to be on the right track in calling a conference. It may not be possible to formulate measures that will be immediately effective in cutting down taxation, but the circumstance of making a public demonstration concerning a dangerous state of affairs is bound to have a restraining influence upon those who are involving the country in reckless outlays.

Canada is quite similar in the taxation problem except that as a general proposition it is much less able to sustain the burden because of limited population and wealth. The outcome of the American conference should be of interest in the Dominion since it is likely to reveal the menace to which unrestrained expenditure of public money exposes the nation.

PROVINCIAL BANK MUST STAY

(Toronto Telegram)

Canada's banking leaders should govern their actions and their utterances according to the facts or public opinion. These facts are no longer favorable to the assumption that bankers' opinions are helpful to the politician or that bankers' policies can be accepted by politicians.

Banking leaders should realize that the Ferguson Government cannot afford to abolish the Provincial Bank at the bidding of the bankers.

Ontario would abolish the Ferguson Government if that Government took its marching orders from the Bankers' Association and obeyed the behests of the banking leaders.

The further the Ferguson Government keeps away from the Bankers' Association and the banks, the closer that Government will keep to the people of Ontario.

Canadians cannot stand by the country without standing by their country's banks. These banks should have known enough to stand by themselves. The chartered banks had a tremendous asset in public goodwill. That asset was largely written off by the undeserved suffering that has come upon depositors in the Home Bank.

Ontario will have to forget all about the Home Bank and the sufferings of the Home Bank depositors before the banking leaders of this province are in a position to tell politicians what to do and choose policies that governments must adopt.

HOLDING THE PEOPLE

(Belleville Intelligencer)

THE FINANCIAL POST, in an article on the immigration conference recently held at Ottawa, credits an Ontario business man with the explanation that Quebec has not suffered as much from emigration to the United States as other provinces because of the fore-sighted policy of establishing textile mills to keep the young people at home.

From the industrial standpoint alone, this policy is highly practicable. Employment is provided, payrolls are increased and domestic commerce greatly stimulated. But the welfare of any Ontario comunity demands that consideration of its interests be not so narrowly circumscribed.

The mere provision of factory employment is not a sufficient counter-attraction to keep our young people at home. It is necessary to supply in-so-far as is possible the other attractions which, seen from a distance, appeal to these young adventurers. In other words, it is a grievous error to sit idly by and expect the factories to solve the problem. The opportunity to earn money is by no means the only desire of these boys and girls. They seek Opportunity in every garb. Some wish to prepare themselves for professional life—barristers, doctors, dentists, engineers, educators, etc. Others would become druggists, merchants or skilled tradesmen.

Obviously, the wise course is to provide proper educational facilities; to encourage the young people to secure their first training at home, and to assist them, if necessary, to complete their training. And they should be encouraged and assisted after graduation to establish themselves. Above all, life in Ontario communities should be made attractive to them.

Stock Exchange Flurries Which Are a Puzzle to the Theorists

Federal International News, Published by the Federal International Banking Co., New Orleans.

For some months stock exchange transactions have puzzled the theorists of the "stock exchange barometer" who cannot reconcile the depressed prices of securities with the steady or rising prices of commodities. The foregoing quotations were uttered about four months ago. Since that time stocks and bonds have tended somewhat lower and commodity prices somewhat higher. In mid-July, 20 industrial stocks averaged 89.07, 20 railroad stocks averaged 79.08 and 40 bonds averaged 86.76 compared with 94.96, 86.24 and 90.12 the year before. In mid-October the same securities averaged 87.16, 79.23 and 86.31.

The "barometer" three months ago, indicated, as it had indicated for several months preceding, a substantial decline in commodity prices. Instead, commodity prices in general have changed but little and that little is an advance. At present the advance seems to be checked. There is hesitation in the general trade movement, but it appears to be only an evidence of caution and in no wise an indication of reaction or reverse movement. At any rate the stock exchange "barometer" has missed its guess.

Intelligent Trading

The Financial Chronicle in one issue reports transactions in some 2,500 stocks and bonds, ranging all the way from Philippine electric railways to Ontario industrials, from New England mills to Brazilian government securities, from United Fruit to Allied chemicals, from British-American tobacco to Alaskan metals. Literally the whole world—industrial and governmental—is covered in the range of transactions. Intelligent trading in each case requires upon the part of both buyer and seller intimate understanding of the general economic conditions in the country or countries of location and operation, of the circumstances affecting the intrinsic worth of the security, of the character of the management and the adequacy of capital and equipment. Trading over so wide a range requires upon the part of the collective group of buyers complete knowledge of business conditions throughout the world. Not all the brokers, nor all the customers of all the brokers, possess such aggregate knowledge.

A large part of the trading is mere sheep herding; another large part is cattle stampeding.

There is, of course, much intelligent investing; there is much in the way of convenient liquidation of holdings for other investment or enterprise. But there is no such degree of informed calculation and reasoned dealing as many people are inclined to believe; there is far less prescience, much more guessing and blind venturing than the theorists of the "business cycle" and their credulous followers imagine. The universe of business is about as complex as the physical universe. Mass psychology is about as subtle and as defiant of analysis as the currents of heat, light, electricity and other concealed forces that are supposed to cause sun spots and storms, and it plays about as large a part in speculative commerce as in sociology.

A protracted movement upward or downward in the stock exchanges is, of course, the effect of causes that operate upon the minds of the traders, but many of the causes are imaginary or superficial, or not what they appear. A few men have a sort of speculative instinct, a sense of discernment, much as certain animals seem to have an apprehension of a coming cyclone or a cold winter, but the great majority of those who buy and sell are governed by particular circumstances affecting themselves only, or by the action of conspicuous dealers, or by "hunches" or "tips" which have small relation to any economic fact.

At best the trend of the stock market is an interesting phenomenon that may well be studied, that may be instructive to those of superior information and judgment, that may be a warning or a hint to the wise without being quite understood, but the ordinary flurry means little more to the course of the world's business than a summer shower means to the rainfall of a season.

The average man with money to invest should confine himself to the enterprises of which he has some knowledge, and when in doubt will do well to consult his banker. Even the most pretentious of the forecasters and professional sages miss about as often as they hit. The smuggest of the lot now doing business in the United States, after telling his customers for months to buy, now completely reverses himself and tells them to sell. His good faith is not questioned. His action merely illustrates the fallibility of even the greatest mind in appraising the commercial forces of a vast and diverse world.

Dominion Glass Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of December, 1923, payable Wednesday, the 2nd day of January, 1924, to Shareholders of record at the close of business, Saturday, the 15th day of December, 1923.

By Order of the Board.

MERVYN OFFER

Comptroller and Secretary.

Montreal, 15th November, 1923.

Dominion Glass Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of December, 1923, payable Wednesday, the 2nd day of January, 1924, to Shareholders of record at the close of business, Saturday, the 15th day of December, 1923.

By Order of the Board.

MERVYN OFFER,

Comptroller and Secretary,

Montreal, 15th November, 1923.

THE SHERWIN-WILLIAMS COMPANY of Canada, Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that the Fiftieth Quarterly Dividend of One and Three-Quarters Per Cent. (1¾%) being at the rate of Seven Per Cent. (7%) per annum, for quarter ending November 30th, 1923, upon the Preferred Stock of the Company, has been declared, payable to Shareholders of record the Fifteenth day of December, 1923, and cheques will be mailed on December 31st next.

Books not closed.

By Order of the Board.

J. H. GORDON,

Secretary-Treasurer.

Montreal, November 27th, 1923.

THE SHERWIN-WILLIAMS COMPANY of Canada, Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that Dividend No. 13 of One and One-Half Per Cent. (1½%) for quarter ending November 30th, 1923, upon the Common Stock of the Company, has been declared, payable to Shareholders of record the Fifteenth day of December, 1923, and cheques will be mailed on December 31st next.

Books not closed.

By Order of the Board.

J. H. GORDON,

Secretary-Treasurer.

Montreal, November 27th, 1923.

Laurentide Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of one and one-half per cent. (1½%) has been declared upon the Capital Stock of this Company for the quarter ending December thirty-first, 1923, payable Wednesday, January second, 1924, to Shareholders of record at the close of business December fourteenth, 1923.

By order of the Board of Directors.

W. F. ROBINSON,

Secretary.

Montreal, December third, 1923.

The Wabasso Cotton Company Limited

DIVIDEND No. 24

NOTICE IS HEREBY GIVEN that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 31st December, 1923, payable January 2nd, 1924, to Shareholders of record at the close of business on the 14th December, 1923.

By Order of the Board.

JAS. R. RITCHIE,

Secretary-Treasurer.

Montreal, November 8th, 1923.

The Toronto General Trusts Corporation

DIVIDEND No. 110

NOTICE IS HEREBY GIVEN that a Dividend of Three per cent. (3%) has been declared upon the Paid-up Capital Stock of this Corporation for the Quarter ending December 31st, 1923, being at the rate of

TWELVE PER CENT. PER ANNUM,

and that the same will be payable on and after Wednesday, the 2nd day of January, 1924.

The Transfer Books of the Corporation will be closed from Monday, the 17th day of December, until Monday, the 31st day of December, both days inclusive.

By Order of the Board of Directors.

A. D. LANGMUIR,

General Manager.

Toronto, November 27th, 1923.

NIPISSING MINES CO., LIMITED.
Head Office, Toronto, Canada.
Nov. 26, 1923.

THE BOARD OF DIRECTORS has today declared a Quarterly Dividend of THREE PER CENT. and THREE PER CENT. EXTRA, payable January 21, 1924, to shareholders of record, December 31, 1923. Transfer books close December 31, 1923, and re-open January 18, 1924.

P. C. PFEIFFER, Treasurer.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 10th day of January, 1924, at 11 o'clock, a.m.

C.E. NEILL,

General Manager,

Montreal, December 1, 1923.

THE DOMINION BANK

NOTICE IS HEREBY GIVEN that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1923, and, in addition, a Bonus of one per cent., making a total distribution of thirteen per cent. for the current year—the Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 2nd day of January, 1924, to Shareholders of record of 20th December, 1923.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 30th January, 1924, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,

General Manager.

Toronto, 15th November, 1923.

Village of Erin

TENDERS will be received up to 6 o'clock P.M., December 12th, 1923, for the purchase of $40,000, 6 per cent., 25-year instalments School Debentures dated December 31st, 1923.

Apply to WM. CONBOY,

Clerk,

Erin, Ontario.

The Canadian Bank of Commerce

THE annual meeting of the shareholders of this Bank for the election of Directors and for other business will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 8th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,

JOHN AIRD,

General Manager.

Toronto, October 26th, 1923.

Famous Players Canadian Corp., Limited Notice of Shareholders' Meeting

The Annual General Meeting of the Shareholders will be held at the Head Office of the Company, Room 1205, Royal Bank Building, Toronto, Friday, December 14th, 1923, at 12 o'clock noon, for the purpose of receiving the Annual Report of the Directors, electing Directors for the ensuing year, and to transact such further business as may come before the meeting.

By order.

ARTHUR COHEN,

Secretary-Treasurer.

Canadian General Electric Co., Limited

Common Stock Dividend No. 98.

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend of one and one-half per cent. for the three months ending the thirty-first day of December, 1923, being at the rate of six per cent. per annum, has been declared on the Common Stock of the Company.

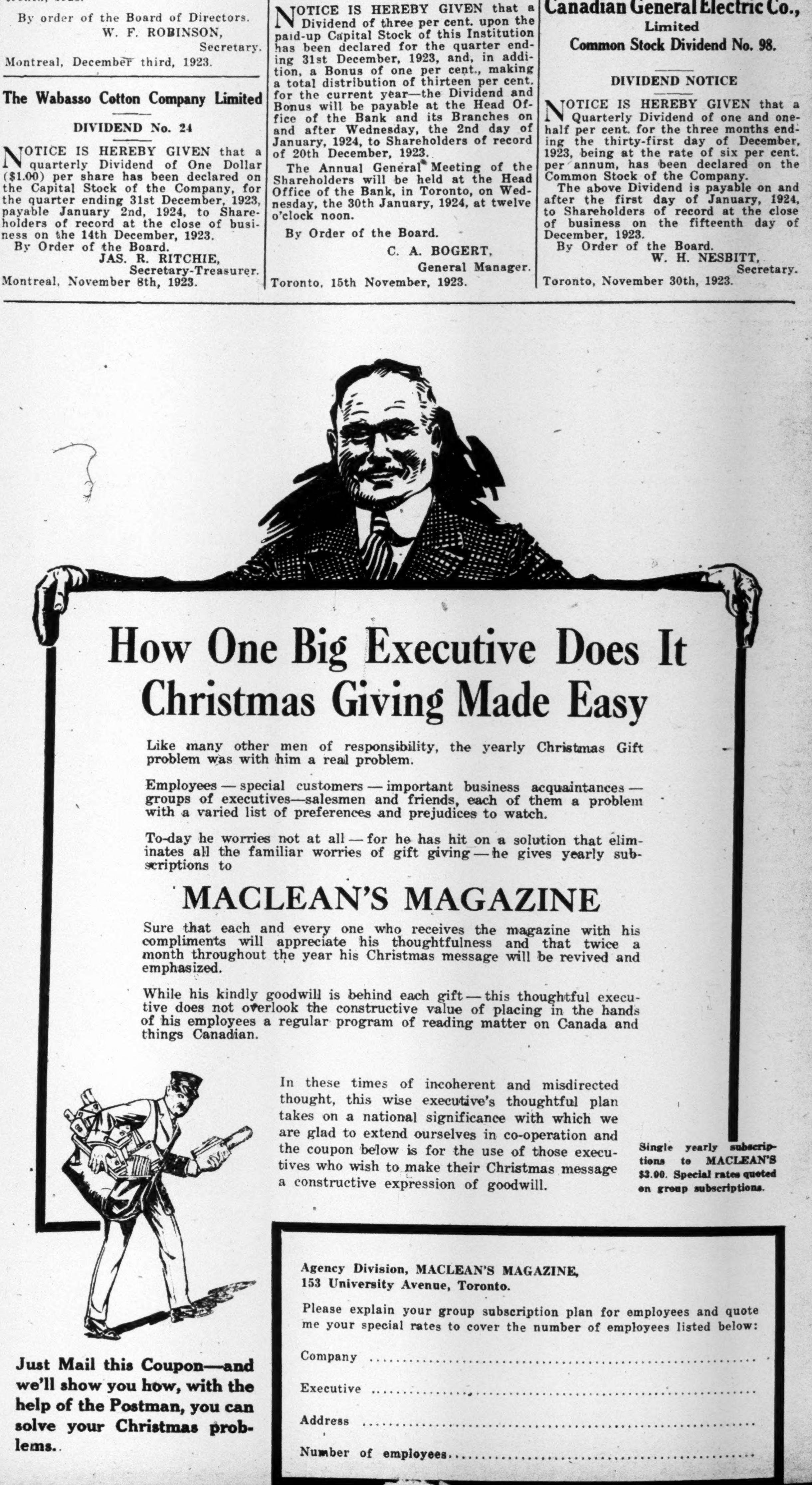
The above Dividend is payable on and after the first day of January, 1924, to Shareholders of record at the close of business on the fifteenth day of December, 1923.

By Order of the Board.

W. H. NESBITT,

Secretary.

Toronto, November 30th, 1923.



How One Big Executive Does It Christmas Giving Made Easy

Like many other men of responsibility, the yearly Christmas Gift problem was with him a real problem.

Employees — special customers — important business acquaintances — groups of executives—salesmen and friends, each of them a problem with a varied list of preferences and prejudices to watch.

To-day he worries not at all — for he has hit on a solution that eliminates all the familiar worries of gift giving — he gives yearly subscriptions to

MACLEAN'S MAGAZINE

Sure that each and every one who receives the magazine with his compliments will appreciate his thoughtfulness and that twice a month throughout the year his Christmas message will be revived and emphasized.

While his kindly goodwill is behind each gift — this thoughtful executive does not overlook the constructive value of placing in the hands of his employees a regular program of reading matter on Canada and things Canadian.

In these times of incoherent and misdirected thought, this wise executive's thoughtful plan takes on a national significance with which we are glad to extend ourselves in co-operation and the coupon below is for the use of those executives who wish to make their Christmas message a constructive expression of goodwill.

Single yearly subscriptions to MACLEAN'S $3.00. Special rates quoted on group subscriptions.

Just Mail this Coupon—and we'll show you how, with the help of the Postman, you can solve your Christmas problems.

Agency Division, MACLEAN'S MAGAZINE,
153 University Avenue, Toronto.

Please explain your group subscription plan for employees and quote me your special rates to cover the number of employees listed below:

Company ....

Executive ....

Address ....

Number of employees..

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PLAN TO REFUND EDMONTON SHORT TERM DEBENTURES

Payment of Tax Arrears Insufficient to Meet Maturing Issues

If the plan suggested by David Mitchell, city comptroller of Edmonton, is adopted by the council, it may prove an important step in improving the city's financial position. The scheme, which seeks to overcome the heavy burden created by some outstanding short term securities, has received the endorsation of experienced financial men.

There are some $5,157,267 of the short term debentures outstanding, and the city, in the first instance, started out to pay them off by collections of tax arrears. During late years this method has been shown to be hopeless, and the city has been merely giving notes to the sinking fund board in place of cash.

City Comptroller Mitchell's plan, by consolidating all short term loans into a fresh issue extended over a period of twenty years, is making it possible for amounts derived from the sales of tax sale land and the collection of tax arrears, annually, to become sufficient to meet the yearly charges on the new issue by way of interest and redemption payments.

This at once relieves the city of the present burden of attempting to pay off loans that are falling due too quickly to be coped with by the city's present resources.

Maturing Obligations

The statement of the comptroller gives a detailed statement of the maturing obligations affected by the plan. These are:

"Sinking fund trustees — Demand notes representing deferred instalments of sinking fund for 1920, 1921 and 1922, $1,673,830.95; Debentures against 1917 tax arrears, series "F" $38,880.27; debentures consolidated tax arrears, series "I" $1,282,000.00; debentures against 1913 tax arrears, series "O" $219,513.15. School trustees —Debentures against 1917 tax arrears $25,674.10. Outside parties—Series "G" Jarvis & Co., 1918 tax arrears, $216,238.02; series "H" Jarvis & Co., debentures hypothecated, $200,000.00; series "I" Jarvis & Co., cons. tax arrears, $1,055,130.43; series "N" Morris Bros., debentures hypothecated, $436,000.00. Present amount outstanding, $5,157,267.02. Add sinking fund instalments for 1923 (and interest) in suspense, $500,000.00. Grand total $5,657,267.02."

Begin Plan January, 1924

The statement continues:

"It will be observed that approximately $3,200,000 is now owing to the sinking fund board, of which approximately $1,673,830.95 is covered by demand notes merely and the current year's sinking fund instalments of approximately $500,000 will also require to be taken into account in giving effect to the proposed plan which would become operative January 1, 1924.

"The collection of tax arrears (including redemptions) appears to be falling off latterly while the actual payments made to the sinking fund trustees have been less han the collections. We are somewhat hopeful, however, that the sales of tax lands, redemptions and collections of arrears, may be substantially improved.

Converting Nature of Debt

"The position briefly is that the city is obligated for approximately $5,500,000 short term loans (net). If the necessary legislation is obtained at the next section of the legislature it seems to us that it would be advisable to convert this amount of short term securities into the form of funded debt (twenty year term) and that the present securities should be redeemed (at interest due dates by drawings where necessary); in other words: the securities and demand notes now held (or required) by the sinking fund trustees and others would be replaced by issue of twenty year debentures. In recommending such a course there is no increase in the city's debt (embracing funded as well as short term) but merely an extension of the term of repayment."

Ordinarily an extension of maturing dates is a sign of weakness, and is opposed by sound financiers. However, in this case, the funds to meet these payments came from arrears of taxes. While the collection of these is extremely difficult at present, with an increase in population and improved business conditions, the situation is likely to improve. It is considered that this justifies capitalizing the arrears of taxes over a twenty-year period. Under the plan, the city will undertake to pay annually in cash into the sinking fund, $166,334.

Situation Unsatisfactory

In supporting the plan, Mr. Mitchell's statement continues, in part:

"It must be recognized that there are certain aspects of the city's current operations which cannot be regarded as satisfactory. Chief of these is the fact that the city, on account of collecting less than the levy for each year, falls behind to the extent of about one-fifth, more or less, of the tax levy. This has necessitated the city for the last few years, instead of paying over the sinking fund instalments to the sinking fund board in cash as ought to be done as levied for, liquidating these instalments by means of promissory notes. At the same time it ought to be noted that the collection of current taxes and arrears in toto last year exceeded the gross levy for the year.

"This recommendation has not been arrived at without taking due account of the fact that the short term borrowings have arisen as a result of non-payment of taxes and that these therefore are inseparately related, but it is equally pertinent to point out that the present situation is directly the result of a combination of circumstances, including the effects of the real estate boom in former years and the great war—a situation of an unprecedented kind altogether, and such as would well warrant the consideration of the legislature in the city's endeavor to work out its own salvation.

Statutary Restriction

"The plan is designed to afford just that degree of temporary relief which is absolutely necessary if the city is to emerge from its financial embarrassment.

"It would be essential to have a statutory restriction to the effect that all collections of taxes (both current and arrears including sales of tax sale lands) in excess of the gross levy for a given year, shall be paid over to the sinking fund board towards redemption of city debentures held by them.

"This would effectually prevent any administration from making use of any such surplus funds for other purposes.

"Or in the alternative it would be essential to have a statutory restriction to the effect that in the event of the proceeds of tax sale lands, collection of arrears and redemptions aggregating an amount greater than the required sinking fund for a given year, the surplus shall be paid over to the sinking fund board for the purpose of redemption of the securities held by them.

"This would effectually prevent any administration from making use of any such surplus funds for other purposes."

WHAT'S IN A NAME?

Mrs. James had just moved into the neighborhood and it was her first meeting with the local sewing circle. As the conversation turned on the absent men, one of the ladies said to Mrs. James, "What does your husband do?"

"Oh!" said Mrs. James, "he is manager of a pail factory."

"Pail factory?" said the other. "Why, I didn't know we had such a factory in town. Where is it located?"

"Well," replied Mrs. James, "husband calls it a bucket shop, but I think pail factory sounds much better."—Forbes Magazine.

The Plums Fell Into His Lap— But First He Shook the Tree

(Continued from page 17)

"But the details may be important," I suggested.

"No details are more important than the vital facts. Big things come first. And the man whose work is to handle the big factors in business must keep his eye on those factors."

"But even so," I said, "how can anyone keep up with all the work you seem to be carrying? You are a director in fifty-eight companies, aren't you?"

"Yes," said Mr. Hayden; "I believe I hold that record."

"How can you do so much?"

"By being systematic and not wasting time. We hold the directors' meetings of all our copper companies in our own office. They are held on the same day, one after the other. Naturally, the board meetings of the banks, railroads, and other companies, in which I am a director, are held in other places. This takes me out of my own office a great deal. But I have the whole thing systematized. And I try not to waste my time, or to let other people waste it for me.

"Time is money to a business man. But some of them don't seem to know it. They pinch pennies—and throw away thousands of dollars' worth of time. And they rob other men of thousands of dollars' worth of their time!"

"That's all true," I said. "But a person needs something more than time in order to accomplish all the work that you do."

"Yes," agreed Mr. Hayden; "but here's the point: I couldn't have done twenty years ago what I do to-day. An hour had just as many minutes then as it has now. A day had just as many hours. The difference is in me! In those twenty years I've been gaining knowledge and experience. What was impossible then is easy now.

"You've heard the story of the man who owed a big debt which he couldn't pay. His creditor made him this proposition: 'Pay me in daily instalments, beginning with one penny and doubling it each day for a period of two months, and I'll cancel the debt.'

"The man agreed. But when he came to figure the thing out, he found that by the end of the first month, the daily instalment would be almost eleven million dollars! On the thirty-first day of the second month, the instalment would be about twenty-five quintillions of dollars! Those may not be the exact figures; but, anyway, the payments in two months would amount to more money than there is in the whole world.

"A man doesn't accumulate knowledge and ability as fast as that. But he does grow through experience. The first time you do a thing it is hard. The twenty-first time it is easy. At the beginning, every new problem has to be worked out. You may have to think about it for days. But as the time goes on, a hundred similar problems come up. You don't have to go through every one of them from A to Z. You recognize them, and know the solution. The greater the number and variety of the problems you have become familiar with, the more easily and swiftly you can work. That ought to be plain to anybody.

A Matter of Training

"A man becomes 'able-minded' just as he becomes 'able-bodied.' A child puzzles over two plus four. Perhaps that same child grows up to be an expert accountant and can add a whole column of figures in a flash. It ought to be like that with a man's business ability. The more he does, the more he should be able to do.

"When I began, I was a 'business-child.' That was about thirty years ago. I've simply been growing up. It's like reading: You begin with c-a-t, cat; and d-o-g, dog. Later you take in whole sentences at a glance. There's no miracle about it. Keep on learning. Keep on using your knowledge. That's about all there is to it."

"But some people learn so much more, and so much faster, than others," I said.

Of course they do! You can't make a Jack Dempsey out of every boy. And you can't make a John D. Rockefeller out of every young man in business. Nature has some say about it. But almost any boy can develop some muscle. And any young man can develop some business ability.

"Some years ago a clerk in our office — I'll call him Smith, because that wasn't his name—came to me and said: 'Mr. Hayden, I hate to complain, but they're working me too hard. I don't get through until six o'clock every night!'

"He was one of half a dozen men who handled the margin accounts. These men were not supposed to work until six o'clock as a regular thing, so I told him I would look into the matter.

"I said to the head of that department: 'Next Saturday bring me the week's record of each of the men who handle the margin accounts. Tell me how many accounts each man has handled, and how long it has taken him.'

"He brought me the records on Saturday and I looked them over. Then I sent for Smith.

"'My boy,' I said to him. 'I'm very glad you brought this to my attention, for I am going to do you a great kindness. I am going to discharge you! Here are the facts: During the past week, you have averaged forty-seven accounts each day and haven't got through before six o'clock. The other boys have averaged sixty-four accounts each day, and have been out of the office by four-thirty.

"'Now, I am going to discharge you, because it is plain that you are in the wrong kind of job. You are wasting your time here. You are not suited to the work. I'm going to give you the chance to get into a place where you won't be a tail-ender. You're a nice boy. I like you. I want to see you succeed. Don't go into another brokerage office. Get in[illegible] manufacturing business.'

> **GET TO THE POINT!**
>
> One secret of Charles Hayden's ability to carry his enormous business responsibilities is the fact that he doesn't waste his own time or allow other people to waste it for him. When he was asked whether he is impatient with men who do not think as fast as he does, he replied:
>
> "No, I'm not! But I'm impatient if they talk without thinking. A man who doesn't know what he thinks doesn't know what he wants to say. He has no right to take up your time. Men sometimes resent it because I anticipate what they are going to say before they are half through saying it. But if I know what is in their minds, why should I wait fifteen minutes for them to get it out? My time is too valuable. Theirs ought to be."

"He took my advice and has made good. Incidentally, he has also made money, and has been one of our regular customers ever since. As I told you, Nature has her say about us all. She makes square pegs and round ones. To one man, finance is an open primer. To another, it is a closed book—but he may be a wonder at something else.

Selecting Men

"A few years ago, we needed a man to put at the head of one of our companies, a concern manufacturing certain chemical products. As a rule, I believe in promoting men within the organization partly because this is fair to employees, and partly because they have learned the business by experience.

"In this case, we hadn't just the right man in our company, so we went outside. We found a man in a company that made brass beds! I didn't care whether he understood chemistry or not. We already had chemists, perfectly capable ones. And I didn't care whether he knew much about accounting. We had all the accountants we needed.

"We wanted an executive! A man who could gather together all the threads of an organization, keep everything running smoothly, promote harmony and efficiency. He didn't need to understand chemistry or accounting. But he did need to understand chemists and accountants and the rest of the human beings he was to direct. If he could do that in one place, he could do it in another, whether the human beings were turning out brass beds or chemicals."

'How would you define a good executive?" I interrupted.

For once he hesitated, but only for a second. Then he laughed and said, "Well, a business is like a bag of something. A poor executive punches it in one spot and it bulges out in another. A good executive keeps it well rounded.

"About those two stories I just told you," he went on; "the point is this: In picking your own job, don't choose one just because somebody else is a success at it. Pick one that fits your own ability. And in picking a man for a job, decide what kind of man that particular job needs. There are always some qualities that are essential in a man, if he is to fill a position. But these essentials vary according to the job.

"A few years ago I wanted to give up the presidency of a certain company and become chairman of the board. I asked one of the vice presidents if he would like to succeed me as president. He said he would, but that he had no training in finance; that he wouldn't trust himself when it came to looking out for the financing.

"But that was not esential. As chairman of the board, I could attend to those matters. In this case, the important thing was to get a man who had the practical knowledge which would promote efficiency, and a personality that would promote harmony and would bring in new business. He had both these essentials.

"That's the only secret in picking men. Make up your mind what kind of man the job needs. Then look for a man of that kind."

"That's all right," I said, "especially in filling higher positions. But take the rank and file, the young men who are at the foot of the ladder. What qualities should they have to make you believe they will amount to something?"

As usual, the reply came without a moment's hesitation:

"Three things! Honesty, loyalty, and application. A man might be a world-beater in business ability; but if he wasn't honest and loyal, I wouldn't want him. We had a man in one of our companies. He had energy and ability—but we kicked him out. He was feathering his own nest at the expense of the company."

"But those three qualities aren't all you look for, are they?" I asked.

"There are others I like to find, even though I don't go around looking for them. Backbone, for instance. A young man should be willing to take a calling down without resenting it. He ought to consider the motive. If it is done for his own good and for the good of the business, there is no reason for him to feel sore about it.

"And I like a man who gives a straight answer to a question—even if it is a plain 'I don't know.' I'd rather get that answer than have him pretend to know what he doesn't know, or to have him beat around the bush."

A College Education

"You are a college man yourself," I said. "Is that a help to a young man when he enters business?"

"If it is special training for the business he goes into, it is; otherwise it isn't of great importance. It may be a hindrance, if it makes him think that he needn't begin at the bottom. Here's the point: Why did he go to college?"

"To get an education," I said.

"And he paid the college authorities to teach him, didn't he?"

"Yes."

"Well, he graduates and somebody gives him a job. Frequently it is out of friendship for him or for his family. He doesn't know anything about the business. He has to learn it—has to get his business education. But he wants to be paid while he is being taught! Often he complains because he isn't paid more than he does receive. As a matter of fact, he isn't worth anything at first. He ought to realize this; ought to understand that if he wasn't paid any salary, he would still be getting the best of the bargain.

"That's what keeps a good many college men from competing successfully with men who didn't go to college. They put too high a valuation on themselves. They want to skip the bottom rungs of the ladder.

"Of the seven highest officials in our company, every one began at the bottom. That includes myself, even though I did go to college.

"There's one other trouble with the college man when he enters business. He usually has a good many friends. He has social connections. He is invited to dinners and dances and theatre parties. He stays out until two or three o'clock in the morning, and comes to the office yawning and listless.

"He says, 'I'll be young only once. I'm going to have a good time while I can enjoy it.'

"Of course the college man isn't the only one that says this. But he usually has more temptation, because he has the kind of friends who go in for that sort of thing."

Had a Good Time

"Did you cut out diversion and 'a good time' when you started in business?" I asked.

"That depends on what you call a good time. I had my friends and I played around with them. But I didn't stay up all night to do it. Parties began earlier then. If it had been a question of staying up until almost daylight, it would have been another matter."

"Do you work long hours?"

"For a banker, yes. I go to the office every morning at about eight-thirty, and stay there until five. That's earlier and later than many bankers work. Some young men frankly say they don't want to pay the price of a success that will involve hard work and a heavy load of responsibilities. All right! That's up to them. When boys are in school, a good many of them really prefer to sit on the side lines and watch the other fellows play football. But they root for the chaps who do the scrimmaging; while the man who has chosen to sit on the side lines of the business game seems to feel sore at the ones that are in the thick of it. That's the difference."

As I said at the beginning of this article, most of the men who have won the great prizes in business have had the sharp spur of poverty. Charles Hayden did not have that incentive; yet he is among the big prize-winners. No outside force drove him to effort. He worked because he wanted to work. That may not be romance; but in the language of the dealers in substitutes, it is "something just as good."

What Efficiency Has Done for Automobiles

CLEVELAND.—Passenger automobiles of 25 standard makes now cost on the average 90 per cent. as much as they did before the war in 1913, and only 70 per cent. as much as they did in 1921. Moreover, without exception, the cars are better vehicles than the corresponding models of the same makes were 10 years ago, and they have far more generous equipment. The surprising fact about these relatively low prices is that it has been possible for the manufacturing companies to cut down the costs to the users despite far higher wages for labor, and considerably higher prices for materials. This has been achieved through good management, huge production, and manufacturing efficiency, stimulated by competition.

SASKATCHEWAN
Has Received Over
A MILLION DOLLARS A DAY
Since Sept. 1st for Grain Alone
106,276,800
Bushels of Grain

were sent to market from Saskatchewan between Sept. 1st and Nov. 7th.

In the period between Sept. 1st and Nov. 7th the railways hauled out of the Province of Saskatchewan alone, according to railway figures, 75,912 carloads of grain—22 trains a day.

At the market price this means Saskatchewan alone has received to Nov. 7th for grain

OVER
95 MILLION DOLLARS

The people of Saskatchewan who have money to spend can be reached through two Saskatchewan daily newspapers.

REGINA LEADER-POST — *In the South*
SASKATOON STAR-PHOENIX — *In the North*

Eastern Advertising Representatives:
Toronto—E. J. Guy, Royal Bank Building
Montreal—C. A. Abraham, 232 St. James Street

21

Its performance excels
the maker's promise

NOTE: In 1923 the Star Car broke every sales record ever made by any automobile company in its first year of production existence.

The "New Series" Star

Its smart appearance and modern design make you feel at home in the company of the most expensive cars. See the 1924 Star Car now. Ask for a demonstration.

DURANT MOTORS OF CANADA, LIMITED
DEALERS AND SERVICE STATIONS EVERYWHERE

BANK OF MONTREAL

Annual General Meeting Held 3rd December, 1923

The 106th Annual General Meeting of the Shareholders of the Bank of Montreal was held in the Board Room at the Bank's Headquarters.

On motion of Lord Shaughnessy, Sir Vincent Meredith, Bart., was requested to take the chair.

Mr. George Caverhill moved, seconded by Mr. G. B. Fraser, that Mr. W. R. Miller and Mr. Hartland B. MacDougall be appointed to act as scrutineers and that Mr. C. H. Cronyn be the Secretary of this meeting.

This was carried unanimously.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the Annual Report of the Directors to the Shareholders at their 106th Annual General Meeting held on Monday, December 3rd, 1923.

THE PRESIDENT'S ADDRESS

Sir Vincent Meredith, Bart., President, in addressing the Shareholders, said:

Our banking year has been one of many perplexities. Our profits, in common with banks at home and abroad, are not so large as during war and succeeding years, but I feel sure it has been a gratification for you to know we have been able to pay our usual dividend as well as a two per cent. bonus.

The lessened profits are due partly to the fact that our customers have leaned less heavily upon us, but chiefly because we felt that, in view of the possibility of untoward developments in the banking world, our cash reserves should be kept exceptionally strong to enable us to lend aid if and when called upon to do so.

There is also the incidence of much heavier taxation to be considered in connection with the balance sheet. Our resources, however, are so large and our earning power so constant that I have no misgivings as to the maintenance of substantial profits.

THE BANK ACT REVISION

The revised Bank Act embodies no novel principles. The powers and privileges of the banks remain very much as before, neither enlarged nor contracted; but provision has been made in the way of wider authority of auditors and heavier responsibility of directors, by which means it is hoped to strengthen the safeguards for depositors and shareholders. It is trite to say that, however rigid the law, the solvency of banks—as, for that matter, of all business— depends upon the integrity, diligence and perspicacity of the management.

The amended Act continues to the banks scope for wide and helpful operation in finance and commerce, restrained by considerations of safety, but not so hampered as to prevent fair profits under prudent direction. In this connection, it may be observed that, despite the notion held in some quarters respecting the profitable nature of banking, capital has not greatly sought this source of investment. In the quarter century from 1876 to 1901, the capital of Canadian banks remained stationary, and in the subsequent twenty years of rapid commercial development, less than $60,000,000 was added. Banking resources, apart from deposits, have been derived for many years past more from accumulated reserve of profits than from the investment of new capital, a condition which it may become desirable to correct when trade expands, in order to maintain an adequate note circulation.

BUSINESS IN CANADA

I regard the state of trade in Canada as having improved during the year. Statistical evidence supports this conclusion. Bank clearings, railway receipts, foreign commerce have all increased. Stability of commodity prices has been a favorable factor, encouraging confidence and inducing freer buying. The substantial decrease in unemployment — which has virtually reached the zero mark—is an unerring sign of better business. There has been more building activity, lumbering operations have increased and the important pulp and paper industry is working close to capacity. Textile manufacturing has been brisk throughout the year, and I regret that as much cannot be said of the woollen industry. The mineral output is well maintained, with prospects of undiminished production of precious metals. When the European field is surveyed, there is indeed cause for congratulation that business in Canada has held up so well.

AGRICULTURAL CONDITIONS

To crown all, a bountiful harvest has been reaped, the wheat crop greatly exceeding any former yield. In a country so vast as Canada, variation in production is inevitable, both in quantity and quality, and it occasions no misgiving that southern Manitoba and portions of southern Saskatchewan have suffered a partial crop failure from insect pests and unfavorable weather; but taking the harvest as a whole, it has been both abundant in yield and excellent in quality.

It is true that prices of cereals continue low, giving scant profit to grain growers, but even at prevailing quotations, the enormous store of wheat gathered represents an amount of money the circulation of which should stimulate business, not alone in the West, but throughout the Dominion and permit much liquidation of debts in agricultural areas. The crop has been moved expeditiously by our railways, and despite the diminished buying power of Europe, is in fair way to be fully marketed before another is reaped.

With the relatively low price prevailing for wheat, a condition that may persist for some time, it seems imperative that our western farmers should at once proceed to diversify their crops and enter upon dairying, hog and poultry raising, if only for their own needs, a course now followed in many of the Western States with marked success. While this may entail increased labor, we should without question have a more contented and prosperous people. The disgruntled feeling among the farmers of the West, which has been in evidence in late years and which has been given much publicity, is neither in the interests of the western farmers nor of Canada as a whole. An investigation into the causes of farm failures in the United States has brought to light the information that in the vast majority of cases they were due to lack of experience, a shortage of capital, and unwise credit extension on the part of the banks. The same explanation is applicable to similar conditions in Western Canada.

With our vast, sparsely settled areas, where the lack of companionship is keenly felt, I believe that if a trial were given by the colonizing companies to placing settlers in communes or villages, as practised in France and other foreign countries, it would prove a popular as well as a successful venture.

IMMIGRATION

There has come since we last met a little hope that the problem of immigration is in the way of successful solution. This is generally acknowledged to be the most important question confronting the country. The Federal Government is pursuing the quest for people with greater earnestness through its various agencies, and the long-maintained activities of the Canadian Pacific Railway in a like direction are unabated. This year a relatively large increase in the number of newcomers has occurred and, though the figures are still small, I am not without hope that the coming year will witness a material enlargement.

THE BURDEN OF TAXATION

I make no apology for stressing again the desirability, one might even say the imperativeness, of moderating public taxation, federal, provincial and municipal, in order to lighten the load pressing upon business and deterring development of resources. The margin of profit in all business is seriously curtailed by the accumulation of taxation, a condition that retards enterprise and discourages thrift. In making this remark, I am not unmindful of some recent signs of improvement. The rising revenue of the Dominion Government promises a balanced budget at the close of the fiscal year, and if out of this, with further reduction in expenditure, comes some remission of direct taxation upon trade, it will undoubtedly operate to the general advantage.

THE RESERVE OF READY MONEY

The prompt response to the recent appeal of the Finance Minister for a loan to retire the maturing Victory Bonds is gratifying evidence of the ready resources of the Canadian people. Subscriptions aggregating $200,000,000 made within a week is an event scarcely less notable than the successful launching of large loans during the war; yet even this formidable amount represents less than one-half the investment made during this year in public securities by the people of Canada, more than $400,000,000 of which have been absorbed. We are beginning to do our own financing, though possibly the reluctance to engage in new business enterprises may have been a factor in the large accumulation of ready money available for investment.

OUR FOREIGN TRADE

Despite the disorganized state of European markets, the foreign trade of Canada has been gradually expanding. In the seven months ending October 31st, the aggregate of this trade amounted to $1,094,564,000, a gain of $172,864,000, or about 18 per cent. over the corresponding period last year. The enlargement of imports began in August of 1921 and has since continued without interruption, while in lesser degree exports have followed the same course. This healthy and hopeful sign of recovered trade derives additional significance from the fact that it is not the consequence of rising prices but of augmented quantity movement. Notable is the revival of the export trade in wood and wood products, which in the last seven months has reached nearly as large a value as in the whole fiscal year 1921-22, and which bids fair to retain its activity by reason of the dependability of the United States market for our pulp and paper. The decrease of $10,700,000 in exports of agricultural products since March last is attributable to the later period at which the recent harvest was reaped, and as the great store of grain in the West moves to market, this deficiency should be overcome. What is more to be apprehended is a lessening of the purchasing power of foreign markets. A satisfactory aspect of our foreign trade is the sustained excess of exports over imports, the favorable balance in the last seven months having been $13,222,000, and for the year, $82,000,000.

As long as Europe is not in a position to avail herself of her cheaper production facilities, she must to the extent that she can pay take a certain amount of goods from us to fill her wants, but as she slowly emerges from this condition and produces more efficiently, she will be able not only to supply her wants, but to compete with us more effectively.

THE NATIONAL RAILWAY

It is a satisfaction to learn from the published reports that under the new management the National Railways' earnings show a surplus over working expenses in the operations of the first nine months, which may be appreciably increased by the close of the year.

It must not be overlooked, however, that the Company has issued Bonds during the year, guaranteed by the Dominion Government, amounting to many millions, which constitute an obligation of Canada for interest as well as principal, so that a material portion of surplus operating revenue will be absorbed by new capital charges.

THE QUESTION OF INFLATION

The relative prosperity of business in the United States and Canada in the last year or two is both a cause and effect of the greater stability of prices. A falling market is fatal to trade. Manufacturers will not extensively produce, nor merchants freely purchase when prices are declining, of which fact there was abundant evidence during the late deflation. Since 1921 commodity prices have held, upon the whole, fairly steady, not excepting products of the soil, and as a consequence business has been conducted with greater confidence. Criticism is sometimes made that restriction of bank credits produced the sharp reaction from the post-war boom and the opinion has been expressed that an extension of these credits would give impetus to business. I may point out that the recurring cycles of commercial ebb and flow are not regulated by credits or currency, but by a higher economic law. It is as impossible to obviate trade depression by persistent emission of currency as to quench a conflagration with oil, of which truth Germany affords an illuminating example. Bankers restrict credits under compulsion of circumstances, not less in their own interests than in that of their customers. When, however, prices have become stabilized in the world's markets and there is reasonable assurance of the continuance of that condition, no undue restriction is placed upon credits, nor dependable borrowers turned empty-handed away.

In my opinion, further deflation would incur the risk of depressing industry and would not be in the interests of the country at this juncture. The ultimate goal to which our financial policy must be directed should be the gold parity, but under existing conditions we must make haste slowly.

CONDITIONS IN THE UNITED STATES

The best opinions agree that, while certain industries in the United States, including wheat raising, are not prospering, business conditions on the whole are on a sound and generally satisfactory basis. There is not the same volume of future orders on the books of manufacturers that there was a year ago, for the reason that the jobber and retailer, as in Canada, are buying from hand to mouth; nor has the manufacturer himself any large inventory of raw material or manufactured goods on hand.

The United States has a valuable concentrated domestic market and high production costs are to an extent overcome by capacity operations. Business is being conducted conservatively, but the volume remains.

Apart from the districts where wheat growing is the sole industry, business in the West is particularly good. There is no complaint from the farmers of such states as Illinois, Iowa, Indiana, where diversified farming is practised.

The country is considered to be operating on a sound financial basis and has an economic condition from which over-expansion and inflation are absent, while labor troubles have been of late much less acute.

CONDITIONS IN EUROPE

The unsettled state of European countries gives serious concern and grave anxiety to those engaged in finance and commerce. Instead of realizing the improvement hoped for a year ago, the situation has become worse to the detriment of international trade and a further declension in the value of continental currencies. We in Canada do not escape the pernicious consequences of an impoverished Europe, these appearing in contracted exports and diminished markets. While large populations remain destitute of employment and the means of purchase, there will be restraint of trade, with its reaction in both production and prices. Canada has been fairly fortunate thus far in finding foreign markets for her products.

Great Britain is in a sound and satisfactory condition financially, but trade conditions leave much to be desired. Unemployment is serious, but this condition is ameliorated to some extent by Government work on public utilities, roads, etc., coupled with large railway extensions, which should stimulate the internal trade of the country.

There is apparently no lack of money available for investment, and were it not for the exchange factor, Canadian Dominion and provincial issues would be well received in London.

In France, the people are hard-working and thrifty and owing to the large numbers of men still in the army, there is no unemployment problem.

Crops in Europe generally are well above the average.

Economic conditions in Germany are desperate and as her currency is virtually worthless for provisioning the country, it is believed she is living on her accumulated resources abroad. When these are depleted, the state of affairs will be worse than it is at present.

THE BUSINESS OUTLOOK IN CANADA

The outlook in Canada, as I see it, is for a continuance of reasonably satisfactory conditions with possibly some further revival in trade, but we cannot hope for substantial and permanent betterment until world-wide conditions show a marked improvement, and this is likely to take time.

THE GENERAL MANAGER'S ADDRESS

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address as follows:

Mr. Chairman and Gentlemen:—

The one hundred and sixth annual balance sheet of the Bank is now before you for your consideration, and, in accordance with custom, I shall comment upon the changes therein during the year, also upon the conditions under which we have operated, and which have had a bearing on our affairs and affected our welfare.

It has been a trying year for Canadian bankers, probably as trying as any year since Confederation in 1867. In Canada, as elsewhere, as a consequence of the loss and distress resulting from the disorganization of business and industry a spirit of unrest has developed among groups of individuals, inclining them to listen to the vain pretensions of agitators promising quick relief from ills which only time and adherence to sound business principles can cure. Nevertheless, we are better off in this respect than is the case with others in many countries; it is a passing phase, nothing more.

Also, at this particular juncture, economic and political confusion abroad necessarily reacts upon this country to an important extent, while it seems more than ever apparent that for all time our economic welfare must be under the special influence of conditions in the United States of America. It is so important to bear this in mind that I may be excused if I repeat the remark contained in my address to you a year ago:—Canada cannot progress as she should until our cost of living and our taxation are less than across the line.

Canada's economic position will not be satisfactory until we succeed in balancing our public revenue and expenditure, including railways.

I venture to suggest to the Government that a healthy and more widespread interest in the finances of our Dominion would be stimulated by the publication regularly in the press of simple standardized figures giving the essence of the whole position, including the result of our National Railway operations.

For the time being we are handicapped in three distinct respects, two of which are common to all countries engaged in the war from the beginning and at present endeavoring to balance their budgets, viz., high cost of living and high taxation. Further, Canada is suffering from lack of adequate population.

As the first two handicaps diminish, we shall doubtless attract a greater volume of immigration, and, what is still more important, we shall retain the people who come, as well as our natural increase. Therein lies economic salvation for the Dominion. The remedy is in our own hands and is practicable. We have only to conduct our personal and public affairs more economically than do our neighbors in that most wealthy and free-spending of all countries, the United States.

Adversity is a severe teacher, but out of our trials of the last two years surely good will come.

CANADA'S PRICELESS ADVANTAGES

Meanwhile we must not lower our Flag, nor is there any occasion for doing so. Canada has priceless advantages as a place to live in, to work in and to play in. These should be obvious to all—as indeed they are to our friends in the United States, and who now have $850,000,000 or more commercially invested in Canada—and they will without question attract to us in the fulness of time the people we need.

Prosperity in full measure cannot, however, return to this country until agriculture, our chief industry, becomes again more profitable. The lot of the farmer in the last few years has been hard, owing to low prices for products and high cost of requirements. This unfortunate state of affairs still persists. It is the result of world-wide, not local, conditions, and is by no means confined to Canada. Agriculture, however, cannot be permanently depressed. In the nature of things, an improvement is bound to ensue, but the burden in the meantime bears heavily upon this vital industry. For your information, of this Bank's current loans in Canada, upwards of $33,000,000 are in the agricultural community.

With regard to trade and commerce in Canada, dealt with in detail in the Provincial reports, it will suffice to say here that, while there has been a measure of prosperity in some directions, business on the whole has not been good. This has reacted upon the Banks with the result that bad debts beyond the normal have been encountered, especially in the Prairie Provinces.

Quite apart from bad debts, however, the commodity in which Banks deal, viz., money, commands no better price in Canada than before the war, while the price paid the depositor is the same. The margin, therefore, between what money costs us and what we receive for it is unchanged, while the cost of operating has increased greatly. For these reasons, net banking profits are necessarily diminished.

In the case of two Canadian Banks, public balance sheet adjustment of reserves has been necessitated. One small Bank has closed its doors and another moderate-sized Bank has considered it the part of wisdom to merge with a larger institution. If we had been experiencing troubles of this nature here, while the rest of the world was free from them, there would be more point in the criticism that our banking system must be at fault, but no country has, in fact, escaped post-war banking losses and no banking system has proved invulnerable. The truth indeed is that few countries have come through so well as our own.

Our own Bank continues in a sound position, with a good earning power and unimpaired standing both in our own country and abroad.

As regards the Bank Act Revision, I might add to the President's comments that the Act was revised, not at the instance or under the inspiration of the bankers of Canada, but by the Federal Government assisted by a Parliamentary Committee on Banking and Commerce; not with an eye to satisfy and please banks and bank shareholders, but in what appeared to the Honorable the Minister of Finance and to the House of Commons at large to be the best interests of the community as a whole. The result is an Act which embodies the wisdom and experience brought to bear upon this subject by the leading statesmen and financiers of Canada during the past fifty-five years, with such amendments as the events of the last ten years have suggested for its improvement from the standpoint of the public welfare.

It is opportune to point out that the powers, the functions and the duties of the Canadian Bankers' Association seem to be completely misunderstood by a large section of the public, who have sought to impose on the Association responsibilities for which it is in no way liable and which it cannot accept.

For the information of the public in general, the objects of the Association, as expressed in the act of incorporation, are to promote generally the interests and efficiency of banks and bank officers, to educate and train those contemplating employment in banks, to arrange for lectures, discussions, competitive papers on commercial law and banking, and to publish and carry on the journal of the Association.

The only duties since imposed upon the Association by the Government are with regard to circulation and the appointment of a Curator, etc., in the event of a bank not meeting its liabilities.

It will be noticed that the balance sheet is somewhat differently arranged this year, to conform with the provisions of the newly revised Bank Act. The chief change under liabilities is the addition of "Advances by the Government under the Bank Act." As we are not borrowers from the Dominion Government, we show no amount under this heading.

On the assets side of the balance sheet, the notable new classification is "Non-current Loans." Needless to say, this feature of the balance sheet has been dealt with by our Directors in accordance with the Act.

Another new classification is "Shares of and Loans to Controlled Companies," an item which we formerly carried as securities and loans. The particulars thereof are before you.

As a result of lessened business activity, our own current loans in Canada are less by $8,000,000 than a year ago. This means a lower earning power, because the funds so released have to be invested in gilt-edged securities or employed in call loans in New York and London upon which we receive a lower rate of interest.

I may say that the loaning department of our business is scrutinized with unremitting care by the Bank's executive and by our Board, and, so far as can be judged, specific and full provision has been made for all revealed and possible losses.

Our total deposits show a net decrease for the year of $26,000,000. This is accounted for by the withdrawal of certain large Government and corporation balances, which were required during the year for special purposes. I am pleased to report a steady and satisfactory growth in our savings deposits, which have increased by some $22,000,000 since our last annual meeting.

INCREASED INVESTMENT

Our investments now stand at $103,000,000, an increase of $45,000,000 during the year. This increase is in the form of gilt-edged securities readily realizable, so that we shall be in a position to meet the borrowing requirements of our customers when the country enjoys a return of industrial activity.

As an indication of the expenses your Bank is under in the matter of taxation, I may say that our Dominion, provincial and municipal taxes in Canada during the bank year amounted to no less than $1,300,000, in addition to which we paid full income taxes on our earnings in New York and London, and elsewhere abroad.

Our liquid resources in London have continued to be profitably employed throughout the year, although consistently cheap money and low discount rates have limited the margin of profit earned.

As has been the case for a number of years past, exchange rates have prevented the issue of Canadian public loans in London, which, in pre-war times, constituted a very important feature of our business in that centre. The London market, however, is ready to absorb sound securities at rates favorable to the borrower, and we have not abandoned the hope that, before long, an improvement in exchange will take place which will allow of a resumption of Canadian borrowing in London.

No opportunity is lost, either by our London or our Canadian offices, in affording every assistance our facilities will allow towards developing trade relations between the two countries.

British manufacturers are taking a great interest in the Canadian market.

There will no doubt be a great influx of visitors to London next year in connection with the Briitsh Empire Exhibition, and I trust our customers from Canada and elsewhere will make full use of the services of our offices in that centre. Our Waterloo Place Branch will be of particular usefulness, situated, as it is, in the West End, and within easy reach of the hotels and shops.

While our Paris office continues to be a great convenience to Canadians and others visiting France, it is also making steady progress in extending the business on general lines, and its facilities are being made use of to an increasing extent.

We have repeatedly received from travelers abroad the heartiest testimony to the helpful service of our establishments overseas.

In New York, where we have had an agency for sixty-four years and where we occupy a position of first importance among the foreign banks, our business continues to show steady growth.

There has been little change in general conditions in Mexico during the past year and our business in that country continues to be conducted along conservative lines.

In order to provide better facilities for a number of influential customers, and at their earnest request, we opened a branch at Puebla, the Capital of the State of Puebla, and the centre of a rich agricultural district and headquarters for a number of important industries.

The growth of our business in Mexico City has necessitated the moving of our branch to larger and more commodious quarters in the centre of the financial district. The staff now numbers 122.

In September last the Mexican Government was accorded formal recognition by the Governments of both the United States and France.

THANKS TO OFFICERS

Mr. Zephirin Hebert then moved, seconded by Mr. John Patterson, that the thanks of the Meeting are hereby tendered to the President, the Vice-President and Directors for their attention to the interests of the Bank.

In speaking to this resolution, Mr. Hebert said:—

"Nothing could give me more honor or pleasure than to move this vote of thanks to the President, the Vice-President and the Directors of this Bank for the splendid results they have attained during the past fiscal year. It has been customary for the Shareholders of this Bank to receive satisfactory reports from year to year, but for us to receive such a report as this in times such as the present, emphasizes the fact that the gentlemen at the head of this institution are inspired by the fundamental principles and traditions which during so many years have earned for the Bank of Montreal the high standing it to-day enjoys.

"The Directorate of the Bank of Montreal has always been composed of men whose character, dignity and impressive knowledge of affairs has been a sure guarantee that the Bank of Montreal will at all times live up to its proud claims, and command the entire confidence of the whole community. It is with very great pleasure that I express our thanks to the Officers and Directors in this way." (Applause).

Mr. John Patterson briefly seconded the resolution.

The motion was unanimously adopted.

The Chairman.—On behalf of my colleagues and myself, I am deeply indebted to you for this proof of your continued confidence in us and the administration of the Bank over which we have the honor to preside.

His Honor Henry Cockshutt, Lieut.-Governor of Ontario, then moved, seconded by Lt.-Col. Molson, that the thanks of the meeting be tendered to the General Manager, the Assistant General Managers, the Superintendents, the Managers and other officers of the Bank, for their services during the past year.

Speaking to this motion, His Honor Henry Cockshutt briefly referred to the eminent ability that had been shown by the officers of the Bank during the past years of disturbed financial conditions, expressing his conviction that it was due to such able management that the Bank had preserved its stability and the confidence of the whole public, not only of Canada, but throughout the world.

The motion was carried, with applause.

In replying to this, the General Manager, Sir Frederick Williams-Taylor, said:—

"Gentlemen, I have to thank you for your very thoughtful resolution, which, I assure you, is deeply appreciated. I also have to convey to you on behalf of the Assistant General Managers, Superintendents, Inspectors, Managers and general staff of the Bank their grateful thanks for your kindly reference to their services during the past year.

"I am sure that you will not consider it out of place for me to remark that I have an abiding fellow feeling for the officials of the Bank, and to this I will only add that, in point of zeal, efficiency and organization, our staff situation is highly satisfactory." (Applause.)

The ballot for the appointment of Auditors and the election of Directors for the ensuing year was then proceeded with.

The Scrutineers appointed for the purpose reported that Messrs. James Hutchison, C.A., and Charles Hodgson, C.A., were duly appointed Auditors, and the following gentlemen duly elected Directors:—D. Forbes Angus, J. H. Ashdown, E. W. Beatty, K.C., H. W. Beauclerk, His Honor Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., Sir Lomer Gouin, K.C. M.G., C. R. Hosmer, Harold Kennedy, William McMaster, Sir Vincent Meredith, Bart., F. E. Meredith, K.C., Lieut.-Colonel Herbert Molson, C.M.G., M.C., the Right Honorable Lord Shaughnessy, K.C.V.O., James Stewart.

The meeting then terminated.

At a subsequent meeting of Directors, Sir Vincent Meredith, Bart., was re-elected President, and Sir Charles Gordon, G.B.E., was re-elected Vice-President.